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Published Weekly

Wednesday September 30, 1931

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The New REPUBLIC

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The Week

IF President Hoover had said to the American Legion delegates that they ought not to ask anything for themselves which they did not ask also for all in equal need—whether unemployed industrial workers or bankrupt farmers—he would have made a sound plea against new bonus legislation. But when he asked their coöperation in preventing any increase of governmental expenses whatever, and minimized the aid which might come from larger income taxation, he was giving expression to his usual cloudy economics, and nothing he said was calculated to arouse the sympathy of those who know at first hand what the ravages of depression are. What the country needs above all else is increased expenditure on the part of anyone who can make it. The government is the only great agency which is, during a depression, in a position to increase expenditure, and particularly to do so in a way which will aid those who need help the most. Its credit remains of the best; it can tap the great unused credit resources of the nation at an extremely low price. If the budgetary deficit and the expansion of debt tend to impair this advantage, it can reduce both by substantial increases of income taxation without reaching the point of diminishing returns. Our income-tax rates are absurdly low beside those of other industrialized nations. To assume, as the President does, that their high tax rates have caused all their troubles is absurd. For one thing, it overlooks the fact that after a period of steady tax reduction, we have suffered from unemployment and depression to fully as great an extent as have they. The President is unquestionably sincere in his desire to follow a policy beneficial to all, but his bias is, as it always has been, that society as a whole can prosper only if the incomes of the rich are protected to the utmost possible extent.

THE Japanese war in Manchuria, which we discuss elsewhere in this issue, throws a curious backward light upon the recent Herndon-Pangborn case. The long reluctance of the Japanese military authorities to set these young American aviators free seemed at the time, and at this distance, completely puzzling. It is possible, of course, that Herndon and Pangborn were really spies for the American government, who took aerial photographs of the Japanese fortified areas for military reasons; but we should say that the chances against this are at least a hundred to one; and the Japanese themselves tacitly admit that there was no ground for their suspicions when they set the fliers free after exacting nominal fines. A clue both to the action in this case, and the assault in Manchuria, is provided in a letter sent to The New Republic by a Japanese correspondent, Mr. Leonard G. Masui, and written, of course, before the Manchurian affair began. First of all, he points out, the military authorities were badly frightened by the ease with which the Americans flew from Siberia to a spot near the Japanese capital, by a route never before attempted. Being frightened, they became angry and, by a familiar psychological law, vented their wrath upon its innocent cause. But there was still another reason. As Mr. Masui writes:

> The real purpose of the military group was more serious than to teach a moral lesson to these two missionaries of American levity: they wanted to strengthen their own position as a privileged class in the na-

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tion—a position from which they are fast slipping. The days are forever gone when the military group in Japan dictated her state affairs. The Japanese have undergone a bloodless revolution during the past decade or so, without changing their form of state. Democracy has become a household word, and the privileged classes are trembling in foreboding of their dark future.

The present Japanese government must make a drastic cut in national expenditure and has ordered the War Department to reduce its estimate for the next fiscal year by about eight million dollars. The pressure of public opinion is so strong that the War Department cannot flatly reject the government's demand. It keenly feels that it must divert public opinion to something else, while the question of war estimates is under discussion. The military leaders, therefore, tried to place the Pangborn and Herndon affair in as grave a light as possible before the public. Nor is this all. The military leaders have an eye on the coming international disarmament conference at Geneva. They feel that in order to get the best bargain at the conference, the public in Japan must be "educated" to their way of thinking about national armaments. It was quite natural then that the recent violation of the aeronautic regulations by two careless but innocent Americans should be seized upon by the military men as a fine occasion for starting a movement to arouse the people's military spirit.

THE famous "drop a crop" cotton plan of Governor Huey Long of Louisiana has received its death blow at the hands of Governor Sterling of Texas and his supporters in the Texas state legislature. The Long plan was that no cotton should be planted or picked next year. It was embodied in a bill passed by the Louisiana state legislature which contained a proviso that it should not become effective unless three-fourths of the other cotton-growing states endorsed the proposal. The opposition of Texas would, by itself, have been sufficient to sound the death knell; but North Carolina and Alabama are reported to be apathetic and the mountebank Governor Bilbo of Mississippi will not call the legislature into session unless he has the written pledge of every member not to impeach him—something he cannot possibly obtain. At present there is some hope of improvement in the general situation based on the new bills passed by both houses of the Texas state legislature, providing for a reduction of about one-third. The Long plan, on the whole, deserved to die. The situation of the South, smothering beneath its own mountain of surplus cotton, is desperate enough; but the problems created by complete abstention from cotton for one year would be even more critical. Many thousands of persons employed not only on the plantations but in ginning, warehousing and transporting the South's chief crop, would be left penniless for a year, and the plans thus far proposed for solving their predicament, by employing them on road building and other public-construction work, seem impossible to execute.

THE collapse of the Long plan has been a useful corrective to many people carried away by the success with which Governors Murray and Sterling, of Oklahoma and Texas, have reduced oil production in those states and increased the price by more than 100 percent. We have been told earnestly that the Sherman Law made voluntary coöperation of producers impossible, that the federal government is both spineless and powerless, but that two-fisted Governors like "Alfalfa Bill" and his late mortal enemy, Governor Sterling, could get together and limit crops until the price shot up. We can see now that even a temporary success in this process of state regulation is possible for only a few products, of which oil is probably the chief. For it exists in but a few states; production can be suspended and the product stays in the ground without serious loss, whereas the agricultural crop which is not harvested, or perhaps not even planted, is lost forever. "Alfalfa Bill," who is being seriously discussed for the presidency because of his success in regard to oil, is clearly as ignorant of economics as he is of practically everything else. Luck favored him during the first five minutes of his day in office; but he has many weary hours ahead of him, during which he will need far better equipment than he has shown any signs of possessing.

THE New York Times, which is in many ways America's leading newspaper, last week celebrated its eightieth birthday. Among the numerous letters of congratulation was one from President Hoover, who seized the golden moment to pen a few imperishable thoughts about the duties and responsibilities of the press. "Democracy cannot function," said he, "except when accompanied by a free and constructive press. [There is] great responsibility on the press that the news shall be accurately presented without color or bias." These are handsome words, but when we compare the President's preachments with his recent practices, and those of his aides, in helping the press to give a correct picture of what the government in Washington is doing, we confess to a state of bewilderment. Within the past few days about a hundred of the leading Washington correspondents have signed a petition to the National Press Club asking that body to appoint a committee to investigate the present disgraceful misrepresentation and suppression of important news by the government of which Mr. Hoover is the head. They charge, among other things:

That Mr. Hoover himself has so frequently refused to answer questions put by newspaper men, and has canceled so many of his semi-weekly meetings with the press, that most of the Washington correspondents have in despair almost abandoned the White House as a source for news.

That when Governor Roosevelt wrote to President Hoover on the important subject of New York's right

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to be represented in the St. Lawrence Waterway negotiations, the White House secretariat denied that any such letter had been received, though afterwards, when Governor Roosevelt made the text public, it explained that this letter had in fact been received and referred to the State Department.

That the Federal Farm Board has repeatedly refused to give out important news which the public has a right to know; and that its chairman went so far as to profess ignorance of the sale of Farm Board wheat to Germany, even after the purchase had been officially announced in Berlin.

That the United States Shipping Board, which many well informed persons in Washington believe will some day furnish a scandal comparable to the naval oil leases, has for many months pursued a policy of silence, equivocation and falsification. This has notoriously been true of Chairman O'Connor, who has gone to the length of keeping newspaper men waiting four hours and then sneaking out the back door to avoid seeing them.

That other government departments, for all of which President Hoover has ultimate responsibility as he has for those mentioned, have pursued similar tactics.

Under the circumstances, what is one to make of President Hoover's letter to The New York Times? We should be glad to hear from any of our readers who can explain the paradox.

WESTCHESTER COUNTY, New York, is a suburban area adjacent to New York City, whose average wealth is much larger than that of the country as a whole. Despite this fact, the Westchesterites object to paying what they consider unfairly high prices, and they have therefore launched a campaign to compel reduction of their electric-light rates. That it was time they did so is shown by a table comparing Westchester rates with those in other localities where power is produced under similar conditions, and presumably ought to cost as much. In Westchester, for example, consumers who use 100 kilowatt hours monthly pay $9.55, except in one community, which pays $8. Suburbanites near St. Louis, Milwaukee, Detroit, Cleveland or Washington pay in each case approximately $4 for the same amount, and the happy citizens of Baltimore, only $3.88. The differences are equally striking on smaller amounts of electricity. On ten kilowatt hours, for example, the Westchester company (a subsidiary of the Consolidated Gas Company of New York) charges $1 or more; in Cambridge, Massachusetts, this amount costs only fifty-five cents. Since there seems to be, as we have said, no important difference in the cost of producing or distributing electricity in any of the communities named, the conclusion is irresistible that the noble-hearted power interests are making handsome profits in Westchester.

ANOTHER fight against a public utility is being waged in a different fashion by the inhabitants of Coalton, a little village in Ohio. The community is served with gas by the Ohio Fuel Gas Company, an organization which seems to stand better with the village council than with the inhabitants in general. Not long ago the council held a quiet meeting, gave the gas company a new twenty-five-year franchise and ordered an immediate increase in rates, to be effective for the next five years. The embattled villagers promptly held a mass meeting, repudiated the action of the council and demanded a referendum on the subject at an election in November. Thereupon the frightened councillors met again and rescinded the rate increase. The gas company, however, refused to recognize this last action as legal and sent out bills at the higher rate. These the villagers one and all refused to pay. They offered payment on a basis of the former charges, and the company in turn declined to accept. There, so far as we know, the matter rests. For our part, we are rooting for the villagers to win. We hope they stand by their guns, even if they have to rip out their gas stoves by the roots and read their evening papers prone on the floor beside a pine-knot torch, as Lincoln did.

GET the government OUT of private business," reads the slogan on the stationery of a newly formed organization in Chicago—the Federation of American Business Men. All the literature of this body carries the implication, not so much that we must fear a proposed change into socialism, but that the government is already largely in business, and that private business has been unsuccessfully resisting this trend for many years. The radical aim of this body—its intention to upset the existing order in behalf of a business dictatorship—is shown by the fact that it lumps together and opposes with equal violence coöperation, regulation and socialism. So extreme is its "individualism" that it does not want anybody to coöperate, and it does not want the government to regulate anything. Like other extremists, these propagandists distort the truth in behalf of their dogma. They attribute the depression, not to the confusions of a capitalist economy, but to coöperative and governmental efforts to introduce some order into it. They attribute the burden of taxes and the federal deficit, not to the expenses arising from past and future wars, but to the civil functions of government—which of course cause a minor part of the expense. The leading spirits in this movement are revealed in a laudatory editorial in The Chicago Journal of Commerce, which says that its organizers are men engaged "in the farm trades and in the railroad, utility and other industries." Apparently the drive is not merely in behalf of the vague and impossible Utopia of unmitigated economic individualism, but is specifically directed toward enhancing the profits of commission merchants, speculators and public-utility companies.

OFFICIALLY, the governments of France and Germany are supposed to be two gladiators facing

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each other with bared fists and clenched teeth; but under the surface of things there are movements toward friendship which show that whole sections have not only retained their sanity, but are working for a peaceful solution of Europe's problems. At the town of Rethel, in the French Ardennes, a convention was recently held at which several hundred delegates from the intellectuals of both countries, met on their own initiative to discuss ways of effecting a Franco-German entente. The leaders of a union of youth societies in Germany embracing four million members were gathered with those of similar societies in France; conferences were held and papers read in which both groups "faced their duty toward Europe" with a concerted spirit. Their goal, as announced, is a European union; and the views of the various speakers have been published recently in a special number of a new magazine, Notre Temps, as "a Franco-German psychological exploration." These are youths, students, professors, writers; their effort is a small beginning; but it has the significance of a spontaneous uprising. On the part of the intellectual class in both countries, it is at least a manifestation of leadership, instead of passivity. If the infection spreads rapidly enough, Europe may still save herself from the abyss.

Britain Inflates

BY A DRAMATIC reversal, which the formal news dispatches and interviews fail to make clear, the great cause for which the national government was formed in Great Britain has been lost. Its avowed purpose was to defend the pound at all costs—and specifically at the cost of a deflationary policy applied to unemployment relief, wages and salaries. With the budget balanced by these means, with a new loan from French and American bankers to sustain the exchange and with a conservatively inclined government in charge, confidence was to be restored, the pound was to be held at its gold parity and the production costs of British industry were to be reduced at the expense of labor, so that it could compete more successfully in world markets. The standard London newspapers inveighed against the dangers of the opposite policy of inflation. Ramsay MacDonald appeared in the movies holding a German letter mailed during the extremes of mark inflation, which bore stamps of an inconceivably high denomination, saying he intended to protect the British public against the ravages of any such misfortunes. Walter Lippmann wrote in this country in defense of the Premier, picturing how a policy of inflation would injure the great middle class and even the humblest worker.

But the new government's intentions failed almost at the very outset. Vigorous protests against wage cuts appeared, of all places, in the British Navy, which had been supposed to be as "sound" as the pound sterling. Teachers began to organize their resistance. And, above all, confidence was not restored; the flight of capital continued. Finally, in order to protect the remaining gold reserve, the government was forced to announce that it would no longer support the exchange value of the pound. Thus, willy nilly, inflation begins. The only questions remaining are what its results will be and how far it must go. The very interests which were praising MacDonald's courage and British stability have now made a *volte face* and are pointing out the hopes in the new situation. The patriotic sacrifice which Labor was denounced for failing to accept has been made in vain—indeed, much of it has not been made at all.

It is true that the British government is not precisely in the position of the other governments of the post-war world which first inflated and then devaluated their currencies. There will be less temptation, with a balanced budget, to meet deficits by continued borrowing and the issuance of fiat money, thus expanding the means of payment at an accelerating pace. Nevertheless, the decline of the gold value of the pound is certain to have inflationary effects of a kind which, if British experience is at all the same as that of Germany or France, it is possible to predict. More pounds, shillings and pence must be paid for a given quantity of imports in terms of dollars, marks, francs or other currencies on the gold or gold-exchange standard. This will raise the cost, in Great Britain, of imported goods.

At the same time, since internal prices cannot be expected to rise as fast as the pound falls, there will be a flow of foreign purchasing power into Britain—to buy British manufactured goods for export, and possibly to sustain travelers who can live there more cheaply than at home. This influx of foreign buying will, like rising costs of imports, tend to raise British internal prices. With the stimulus to foreign trade provided by increased exports, and the stimulus to domestic production provided by a rising price level, unemployment will decrease and a boom of uncertain proportions will be started. The boom will be financed, presumably, by expansion of bank credit, called for by a rising tide of production. High bank rates may retard, but will not prevent it. At least a moderate inflation will be on, just as if the Treasury printing presses were working overtime.

Rising commodity prices will, of course, have important indirect effects. Since nominal wages rise less rapidly than prices, there will be a reduction in the purchasing power of British wage rates, and also in the burden of labor costs. This in turn will stimulate production. Labor will be compensated for its statistical loss in some degree by fuller employment and consequently larger earnings, which will be reflected in a better market for domestic goods.

All fixed incomes will buy less than before. This

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means that a smaller proportion of the national income need be devoted to the claims of the insured unemployed, the pensioners and the great class of bondholders. How important this latter change will be may be seen from the fact that in 1924 Sir Josiah Stamp and Professor Bowley reckoned that incomes drawn from the public debt, debentures and rents absorbed £1,070,000,000, or 26.4 percent of the national income. The burden has increased with falling prices and depression. Industry will benefit, in larger profits, from the higher prices which reduce the real incomes of the private bondholders. And the government, with increased tax receipts as a result of a higher price level, will find it easier to meet the debt service, which amounts to the huge figure of £355,000,000. It was really the stubborn protection of these bondholders, first by a return to the pre-war parity of the pound, and then by a resolution that no inflation can be countenanced, that created much of the trouble for the Treasury, handicapped export industries and eventually led to the insistence that the "dole" be cut, although, as Miss Suzanne La Follette points out elsewhere in this issue, the governmental expenses for unemployment insurance amount to only a little more than one-fifth of the debt charge.

At what point will inflation stop? This is impossible to predict in definite terms. If, however, the government keeps the budget in balance and issues no fiat currency, there will be a natural stopping point. The cutting down of imports and the expansion of exports will create a counterweight to the pressure on the pound, since they will tend to expand the balance of payments in Britain's favor. An incalculable force on the other side will be the flight of capital from British securities, rendered of less value by the rise of internal prices. If this is heavy and long continued, the pound may keep on sinking for some time. But eventually the prices of these securities ought to reach a level roughly in equilibrium with the exchange value of the pound and the rise in the internal price level.

Moreover, the flight of capital may be stopped by governmental control. In the meantime, something may happen to release British frozen credits abroad and thus to sustain the exchange. A new equilibrium of foreign payments will be established, probably at a lower gold value of the pound. Internal prices will not be subject to a continuation of the upward pressure from abroad, and if inflation is carried to undue lengths by its domestic impetus, banking policy may be used to check it. Then the government in power, whatever it is, will theoretically have a choice between attempting deflation again in an effort to restore the old parity of the pound, and revaluating the pound at the new level, as France, Germany and Italy have done with their currencies. In practice, the latter alternative is almost sure to be accepted, since it will permanently reduce the burden of the internal debt and aid British export industry. In short, Britain will at last have come around to substantially the policy urged upon her in 1924 by John Maynard Keynes.

The events of the past week in Great Britain constitute the most hopeful development in the world economic situation for many months. They do so precisely because they are the opposite of what the national government and the bankers had intended. Inflation is, to be sure, no permanent cure for the ills of capitalism, but it is equivalent to the injection of a drug which may carry a rapidly sinking patient over a crisis. Whether it works well even in England, in the long run, will depend largely on what happens in the rest of the world. If world trade in general is to enjoy the same kind of stimulus which this is likely to give to British trade, there must be an inflation of world prices. A general increase in world commerce, including that of Great Britain, would render a competitive advantage on her part less necessary, and would make it easier to pay all debts.

World inflation of course requires many readjustments. It requires the restoration of political confidence in Europe, plus the final cancellation of the burdensome intergovernmental debts. It requires an expansionist policy on the part of private and governmental financial institutions in the United States, to which so much of the world's gold has drifted. The course is difficult, but it is worth trying. If we are lucky enough to climb out of this collapse, we must turn our attention to more fundamental management of our economy in order that we may not fall into an even worse depression when the effects of the drug have worn off.

The War in Manchuria

THERE is a war between Japan and China today. Nobody wants to call it that, but no other word describes it. True, the Chinese have thus far made little resistance and in their state of disorganization are able to make little—except through the economic weapon of the boycott. True, also, the war is in the main confined to Manchuria. Nevertheless, war it is, in flat defiance of the Kellogg Pact, the nine-power treaty of 1922, and thus far, at any rate, of the League of Nations, whose weakness in the face of any real emergency is again being revealed in a most humiliating fashion.

The Japanese government during the first few days explained that the action of its troops in occupying Mukden and seizing numerous towns along the South Manchurian Railway was a local, spontaneous movement. Such a theory is, of course, nonsense; there is every indication that the attacks were carefully planned in advance from high official sources. It is, however, entirely possible that the Japanese War Department acted without the knowledge and consent of the government as a whole. The split between the two factions in Japan is well known. It is at least a plausible theory that

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the militarists waited until the chief European powers, who might have come to China's rescue, seemed completely absorbed in their own troubles, and then struck. Certainly it was a curious coincidence, if it was nothing else, that the action should follow so closely upon the mutiny in the British fleet.

Japan's ambitions in Manchuria are an old story, which does not need to be told again here. Under her former policy she moved steadily toward annexation of the whole region, partly for military reasons, to strengthen her in case of a possible war with Russia, partly as an important source of raw materials, including foodstuffs. She also hoped, although these hopes have steadily dwindled in the test of experience, to send into Manchuria some of the excess population which is such a serious problem. Of recent years, Japanese policy has been somewhat moderated under the pressure of world opinion. The European powers whose policies she copied so faithfully thirty years ago decided that the imperialism of former days was too direct and crass to be effective any more. There arose in Japan a mildly liberal group which found expression from time to time in the civilian branches of the government. There also developed, under the shadow of her fast growing industrialism, a radical movement which has been sternly suppressed and has grown under suppression as such movements usually do.

The invasion and seizure of Chinese territory in south Manchuria is, therefore, the expression of a double conflict. First, there is the friction between China and Japan, which has been steadily sharpening in the last few months, especially in south Manchuria. Second, there is the internal conflict in Japan between the military clique and the civil authorities. Friction in Manchuria between China and Japan is inherent in the situation. China claims, and is conceded, sovereignty over the territory, but Japan owns the principal railway, governs parts of large cities and maintains important garrisons. China, no longer submissive, resents Japan's presence and seeks to oust her, chiefly by economic pressure. Japan, dependent upon Manchurian natural resources and having a billion-dollar investment there, seeks to consolidate her hold for permanent possession. The two races, mutually resentful of each other, live side by side in disputed territory.

Incidents of the kind which precipitate international hostilities are inevitable, and have abounded recently. An obscure dispute over irrigation rights between Chinese peasants and Korean immigrants, the latter being Japanese subjects, resulted in a village fight in which the Koreans were worsted. Anti-Chinese propaganda was circulated in Korea, not without Japanese encouragement, and the Chinese population of Seoul was attacked, a number of Chinese being killed. The Japanese police, though normally exercising a Tsarist control on Korean activities, put down the riots only after some days. China retaliated with a boycott of Japanese goods. Still more recently a Japanese army officer was murdered in Manchuria, probably by Chinese. More serious has been China's progress in building railways competing with those owned by Japan.

The cause of the clash in Manchuria is Chinese-Japanese hostility, but its precipitation was determined by the equally sharp rivalry within Japan to which we have already referred. By comparison with ten years ago Japanese militarism is cowed, though not crushed. Civil authority can no longer be ignored, but it is not yet undisputed. For years the principal issue between the Japanese militarists and the civil authorities has been Japan's policy in China. The militarists have been for what militarists always call "a strong hand." The civilians, recognizing that Japan can exist only with Chinese trade and therefore Chinese good will, have renounced aggression in China and followed a conciliatory policy. The fiasco of the Japanese invasion of Shantung three years ago and General Tanaka's "strong policy" in Manchuria put the military party in disrepute, but the recent succession of incidents in Manchuria has caused it to raise its head again.

For a number of weeks now, there has been an intensive campaign of army propaganda in Japan for punitive measures against China. Unsuccessful in whipping up Japanese chauvinism quickly enough, the War Office appears to have struck of its own motion. Once again Japanese militarism has had its way; but the Chinese have a reserve weapon which is in the end almost irresistible—the weapon of the economic boycott. Times are very bad in Japan; China is a tremendously important customer for Japanese goods. When trade comes to a standstill because no Chinese will under any circumstances buy anything made in Japan or sold by a Japanese trader, the militarists of Tokio will probably retreat as they have done before. And as is always the case with the militarists in all countries at all times, they will leave the burden of suffering for their misdeeds to be borne by the people.

THE NEW REPUBLIC

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The Bond Bubble in Real Estate

$6,000,000,000 of Supposedly Safe Securities in Default

DURING the past ten years, the participation of the small investor in real-estate ventures through the medium of the first-mortgage bond has been so wholehearted as to rival the total savings-bank deposits throughout the United States and far exceed the sums put into the securities of investment trusts. According to the report of a special committee of the Investment Bankers' Association of America, "ten billion dollars is a fairly correct estimate of these bonds outstanding."

Real-estate bond houses have multiplied and taken on enormous proportions. They have literally placarded the country with appeals to the small investor to participate in the phenomenal rise of skyscrapers throughout the country and have invented epigrammatic slogans giving him every assurance for the safety of his money: "Bonds that never lost a dollar." "Forty-four years without loss to any investor." "No investor ever lost a dollar in Miller Bonds." "Forty-one years—100 percent safe." "The Parthenon, a symbol of strength for over twenty centuries." "Sterling issues." "Unfluctuating safety." "The supreme test of soundness." "The choice of conservative investors." "Legal investment for trust funds in New York and New Jersey." "Legal investments for national banks." "Under supervision of the New York State Banking Department." "Under state and federal supervision."

This impassioned literature is replete with phrases like the following: "We have seen prices melt on the stock exchange like snow under a hot sun, but we have never seen the value of a real-estate bond shaken. We have witnessed periods of general business depression, but the values have always been able to withstand the test." "The unbroken safety record of these securities is not a mere accident. Safety has been attained by throwing rigid safeguards around each separate issue."

In addition, under the guise of financial adviser to the widowed and perplexed, the real-estate bond house was able to attract money previously invested in Liberty bonds and high-grade railroad bonds. I quote the following verbatim from a booklet recently issued by one of the outstanding real-estate bond houses:

> "I am seventy-two years old and I live quite alone without relatives or friends whom I can depend on for financial advice. I make my little income go as far as possible, but there are a few comforts which I would so much appreciate but cannot afford. Is there any way in which I can stretch my income to include them?"
>
> Mrs. White proved to be the victim of overconservative advice. On examining her list of securities, the representatives of —— discovered that her holdings were almost entirely in United States government bonds and the highest-grade railroad bonds. These securities are known as "highly marketable." Naturally such a feature as marketability must be paid for, and it is usually paid for out of the yield. That is to say, highly marketable securities pay only a low rate of interest. In the same ways she was paying for tax-exemption features in her government securities for which she had no need whatsoever.

Let us take the case of Mrs. White. Had she kept her ten thousand dollars invested in her "highly marketable, overconservative investments," she would today have securities worth at least that amount, against which she could have borrowed as much as she needed in an emergency, and at the same time have a steady income. If, as we can assume, she changed her holdings to real-estate bonds and had no greater good fortune than the average investor in such bonds, her principal today would be worth less than $5,000, her income problematic, and she would be the holder of non-marketable securities which no bank will take as collateral. Witness the following list of so-called highly recommended real-estate bonds on New York City properties for which there are bid prices of less than 50 today:

The Barbizon	6s	—'39	30
Oliver Cromwell	6s	—'39	32
48 West Forty-eighth Street	6s	—'36	40
79 Madison Avenue	6s	—'37	40
Savoy-Plaza	5½s	—'38	46
263 West Thirty-eighth Street	6s	—'40	38
257 West Thirty-ninth Street	6s	—'40	35
Sherry Netherlands	5¾s	—'40	45
Park Central	6s	—'35	20
Squibb Building	6¼s	—'44	25
Fifty-ninth Street and Madison Avenue	6¼s	—'47	35
Forty-second Street and Sixth Avenue	6½s		no bid

What has happened to these "premier investments," these "sterling issues," these "bonds that never lost a dollar"; what is their intrinsic value today? The special report referred to above tells us in no uncertain terms. "The real-estate bond situation is one of the blackest spots in our present financial outlook. Estimates of the total outstanding volume of real-estate bonds vary from eight to twelve billion dollars. In the city of Chicago $400,000,000 worth of real-estate bonds are in actual foreclosure, and similar conditions exist in most of our larger cities." This committee esti-

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mates that only 40 percent of the outstanding real-estate mortgage bonds will be paid in full, and on the remaining 60 percent there will be a loss of from $1,600,000,000 to $3,000,000,000, apart from the loss of income for several years.

This is by no means a situation which has suddenly appeared as the tide of inflated values in the market receded. As early as 1923, members of the Investment Bankers' Association were warned by its special committee on these securities to apply the closest scrutiny to real-estate bond issues.

The vast sum of investments in real-estate bonds is alone sufficient to warrant very careful scrutiny and legislation to protect the investor; moreover, this is a type of investment which is fundamental to the upbuilding of a city and the country at large, and can, if safeguarded by adequate legislation, be made the high type of investment which it rightfully should be. There is, of course, no such thing as absolute safety, that is, immunity from market fluctuation. Even Liberty bonds, where there is no doubt as to safety of principal, sold as low as 82 in 1920. But there is such a thing as the safety of one's principal in ratio to the security behind it. The old-time real-estate first mortgage, such as savings banks were permitted by law to hold, was in general such a safe security. And the present-day real-estate bond has similar possibilities if its features of safety are made to conform with the requirements of a real first-mortgage bond. In some instances, conservative houses have given the public these elements of safety in their issues; but in the main, the public's acquaintance and trust in the reliable old first mortgage has led many real-estate bond houses to take advantage of this confidence and the public consequently has labored during the past thirty years under the impression that the real-estate bond today is the city cousin of the first-mortgage loan on property in Main Street.

The post-war public, flushed by the real-estate boom and fed on glowing advertisements, was reassured as to the security of its bonds by the sight of office buildings, hotels and apartment houses rising on familiar corners; it felt no financial skepticism, it had none of the "scratch-for-yourself" curiosity about the method of financing employed in the issues which it absorbed. It didn't know—nor does the public today know—that it is not the number of floors, not the marble front, not the glass-enclosed showers, not solaria, nor even a site on, let us say, the corner of Fifty-eighth Street and Fifth Avenue, New York, that determines the security of a real-estate bond. Alas for the romance of our marbled halls—the safety of a mortgage bond depends on other factors.

I have made an analysis of these factors and prepared recommendations for the safeguarding of real-estate bonds in the future, but their discussion at this time would be only academic. The important consideration today is how to protect the interests of the holders of defaulted bonds.

The history of one of the largest of these real-estate investment companies with which, as accountant, I have been intimate since its bankruptcy in 1926, tells its own story.

In 1920 G. L. Miller and Company was incorporated with a capital of $100,000, of which there were $2,000 of real assets and $98,000 of water. It sold over forty millions in bonds to the public in the next five years. In 1925, one year before its bankruptcy, the financial condition of the company was so bad that the Board of Directors appointed one of its members to investigate the loan situation. He reported to the Board as follows: "The test of the pudding is in the eating. We are now eating an extremely unpalatable mess which shows criminal looseness in the past. I feel safe in stating that 90 percent of the buildings that we have financed in the past two years have, or will develop, serious trouble."

Subsequently the company decided to "let the public in" on a $3,000,000 issue of preferred stock. This stock issue was made entirely according to Hoyle. A financial statement was prepared and certified to by one of the leading firms of public accountants in the United States. G. L. Miller and Company gave the issues "class" and desirability by allowing only twenty shares to each customer and only former owners of Miller bonds were permitted to participate in the issue. (The stock today is of course worthless.)

During its life span the company put out 135 bond issues, representing a total of over $60,000,000, which were sold to more than 25,000 investors. A summary of these issues for a number of years will show you their present-day status:

Of twenty-four issues sold in 1923, representing a total of $6,769,000, twenty are in default and there will be a realization of only $2,940,000, or only 43 percent.

Of twenty-six issues sold in 1924, representing a total of $13,542,500, all are in default, and there will be $6,400,000 realized, or only 48 percent.

Of twenty-eight issues sold in 1925, representing a total of $12,170,000, twenty-three are in default, and there will be only $4,535,000 realizable, or 37 percent.

This real-estate bond house is practically the only one which has been offered for complete dissection; and so we may determine why 80 percent of its issues have gone into default after examining one typical case.

In June, 1924, Miller and Company sold to the public an issue of $800,000 of first-mortgage bonds on a property to be constructed and to be known as the Wynne-Claughton Office Building in Atlanta, Georgia. The circular bears the usual slogan: "No investor ever lost a dollar in Miller bonds" and also the opinion of counsel that "these bonds are legal investments for national banks." The circular contains an appraisal of the building to be constructed at $1,218,800. The actual cost of construction of this building was only $388,698.62.

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The building was put up on leased property, for which nothing had been paid. The circular, however, lists the value of the leasehold at $150,000. Miller and Company's commissions and fees on this issue totaled $216,520, more than half of the actual cost of the building.

It was, curiously enough, the good fortune of Miller bondholders that this house became bankrupt. This naturally forced it into the courts where, under the supervision of Judge Julian W. Mack of the United States Circuit Court, a committee of the larger bondholders was formed and their interest has been held paramount in the dissolution of the case.

But what will be the fate of the other six billion dollars of defaulted bonds at large throughout the country today, and who will come to the rescue of these hundreds of thousands of sadly perplexed bondholders? Up to the present, the handling of these bonds (except of course in the Miller case, which has the good luck to be supervised by Judge Mack, acting unofficially) has presented so sorry a picture that there is little hope for a satisfactory outcome to the bondholders unless drastic measures are taken. The primary defect in the handling of these issues thus far has been that in every case the issuing house has been the prime mover and has kept control of the reorganization of these issues, theoretically for the protection of the bondholders.

What happens in the foreclosure of an ordinary mortgage? If the obligation of the mortgagor to pay interest and principal when due is not fulfilled, the property immediately passes into the hands of the bondholders and the person who issues the bond disappears from view. The apparent result is that the bondholder is the sole beneficiary. This naturally should be the paramount purpose of every reorganization. But is it?

Inasmuch as in practically all cases where there is a default of bonds, the issuing house has an interest as creditor on account of moneys advanced to pay coupons, operating charges, etc., subordinate to that of the bondholders and, in addition, since the issuing house as a seller of bonds is interested in keeping the buying public from realizing that there has been a loss to the bondholders, the interests of the issuing house are diametrically opposed to those of the bondholders. Accordingly, in all reorganization plans thus far submitted, the issuing house, being in control of the committees, works in its own interests for the protection of its reputation and for payment of its subordinate claims.

All reorganization plans are of necessity complicated, but they can be dissolved into their real or false values if painstakingly examined. Are the reorganizations thus far proposed really intended to effect a fair discharge of obligations to the bondholder? I maintain that they are not, and will not be, unless an entirely different system is evolved. I consider their basic concepts false.

First, no foreclosure is had until the bondholders have deposited their bonds with the committee and accepted the terms of the agreement whereby the subordinate rights of the issuing house are conserved. When a foreclosure is obtained, such foreclosure merely operates to wipe out the non-depositing bondholders, these of course being the ones who refuse to accept the committee's plans.

Second, the trustee under the mortgage in practically every case is the issuing house or a nominee of the issuing house; or under the trust deed, by which its duties are defined, is dependent entirely for its judgment on the issuing house.

Third, there has been a tendency to pool all of these defaulted bonds together, and to treat them as a single unit. Thus a person having a first mortgage on an office building, practically fully rented, in the heart of New York's commercial district, is to be given the same treatment as a mortgage bondholder on a speculative theatre enterprise in a small town. The advantage of this last device to the issuing house is obvious. It is enabled to cover up a substantial loss to the bondholders by drawing upon other properties on which there is little or no loss.

A very extensive plan of reorganization has been submitted by George M. Forman and Company, a real-estate bond house, for the reorganization of twenty-seven distinct issues of bonds totaling $14,500,000. Let us examine the practical consequences of this plan now being circulated among the bondholders.

The company's first step was to form an advisory committee not one of whose members is a bondholder. The chief proposal of this committee is the creation of a realty trust to be known as the George M. Forman Realty Trust Company. This trust will give the bondholder, in exchange for defaulted first-mortgage bonds, "and such other issues as the committee may determine," a like principal amount of registered-income bonds, and one share of its common stock for each $100-principal amount of bonds. The total common stock thus to be delivered to the bondholder is to be only 20 percent of the entire issue of common stock. Eighty percent of such stock is to be divided on the basis of 35 percent to the Forman Company and 45 percent to the new management, which is to be determined by the committee. The preferred stock is to be issued to the George M. Forman Company for advances made by them and for certain other claims against the property, all subordinate by law to the claims of the bondholders. The rate of interest on the income bonds is to be 4 percent, if earned, but non-cumulative. If there are earnings in any year of more than 4 percent, one-fourth of the excess is to go to the bondholders, but in no case will more than 6 percent be paid. The committee is given the power to fix the salaries paid to the executive officers, the fees of the attorney, enter into management with operating contracts (which are unlimited in what they might take from the bondholders) and to fix the over-

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head expenses. Thus, the bondholders receive nothing and do little but transfer to the trust full control over their bonds and allow for the payment of executive salaries, etc., besides giving themselves an inferior security to what they now have.

To date the Forman Company has actually effected an exchange of 80 percent of the bonds for stock. That the company intends to entice vast sums of additional bonds is seen by the fact that they have authorized an issue of $30,000,000 of debenture bonds. An opposition committee was formed to combat this move, but no such committee can ever make much headway, since the only access to the list of bondholders is through the issuing house. The law has not yet caught up with the needs of bondholders in this new type of financing. Thus, the issuing house has complete control and is able to make any statements it pleases to its bondholders without fear of challenge as to their accuracy. In one of the recent publications of the Forman Company, for example, appears the headline, "Realty Trust Plan Endorsed"—and then they go on to say: "Stockholders of the original Forman Company gave the management a unanimous vote of confidence." These statements are misleading, inasmuch as the "stockholders" endorsing the plan are the Forman Company, whose interests would otherwise be eliminated by proper foreclosure and who now gain control of the bondholders' properties at no cost whatsoever.

Similarly in the cases of defaulted S. W. Straus and Company issues, the bondholders' committees are controlled by the issuing house. Just as soon as a default is announced, a letter goes forward to the bondholder asking him to deposit his bonds with a committee composed solely of Straus officers and employees. Their reorganization plans have not gone forward enough to indicate what they are going to do with these bonds, but it will be interesting to see whether these committees will give the bondholders all they are entitled to or whether the control of the properties will pass into the hands of the issuing house.

Upon examination of the plan proposed by the Investment Bankers' Association of America to form a large corporation to take over defaulted bonds, I find that it in no way protects the bondholder. It is merely a plan for giving a promoter all of the profits that may accrue on the property, the bondholders taking all of the chances. If any cash is put into the plan, it will only be to the extent of a mortgage that could be obtained from any banking house. In such a case, the pro-rata share of the mortgage would be paid to them for the bonds, and the entire equity would go to the promoter. In order to get more, the bondholders would be required to surrender to the company their first-mortgage bonds and take in their stead preferred stock based upon the present appraisal value of the property, less costs of liquidation. Control would pass out of their hands into those of the promoters.

There is but one conclusion. Reorganizations should be in the hands of the bondholders themselves and not rest with the houses of issue. This has already been done satisfactorily in the Miller case, and the organization set into motion there is a model that should be followed in all other cases. Above everything it should be recognized that where the interests of the bankers and their clients are in conflict, as they must necessarily be in these cases, it is folly to expect justice at the hands of the bankers.

BERNARD J. REIS.

Exile's Return

II: *Significant Gesture*

DURING the last three weeks before sailing for America, I wrote no letters. I was much too excited to write letters; I had never, in fact, spent prouder, busier or more amusing days. I was being arrested and tried for punching a café proprietor in the jaw.

He deserved to be punched, though not especially by me; I had no personal grudge against him. His café, the Rotonde, had long been patronized by revolutionists of every nation. Lenin used to sit there, I was told; and proletarian revolts were still being planned, over coffee in the evening, by swarthy men who paid no attention to the hilarious arguments of Swedish and Rumanian artists at the surrounding tables. The proprietor—whose name I forget—used to listen unobtrusively. It was believed, on more or less convincing evidence, that he was a paid informer. It was said that he had betrayed several anarchists to the French police. Moreover, it was known that he had insulted American girls, treating them with the cold brutality which French café proprietors reserve for prostitutes. He was a thoroughly disagreeable character and should, we felt, be called to account.

We were at the Dôme, ten or twelve of us packed together at a table in the midst of the crowd that swirled in the Boulevard Montparnasse. It was July 14, 1923, the national holiday. Chinese lanterns hung in rows among the trees; bands played at every corner; everywhere people were dancing in the streets. Paris, deserted for the summer by its aristocrats, bankers and politicians, forgetting

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its hordes of tourists, was given over to a vast plebeian carnival, a general madness in which we had eagerly joined. Now, tired of dancing, we sipped our drinks and talked in loud voices to make ourselves heard above the music, the rattle of saucers, the shuffle of feet along the sidewalk. I was trying, with my two hands on the table, to imitate the ridiculous efforts of Tristan Tzara to hop a moving train. "Let's go over," said Lawrence Vail, "and assault the proprietor of the Rotonde."

"Let's," I said.

We crossed the street together, some of the girls in bright evening gowns and some in tweeds, Louis Aragon slim and dignified in a dinner jacket, Lawrence bare-headed and wearing a raincoat which he never removed in the course of the hot starlit night, myself coatless, dressed in a workman's blue shirt, worn trousers and rope-soled shoes. Delayed and separated by the crowd on the pavement, we made our way singly into the bar, which I was the last to enter. Aragon, in periodic sentences pronounced in a beautifully modulated voice, was expressing his opinion of all stool pigeons—*mouchards*—and asking why such a wholly contemptible character as the proprietor of the Rotonde presumed to solicit the patronage of respectable people. The waiters, smelling a fight, were forming a wall of shirt fronts around their employer. Lawrence Vail pushed through the wall; he made an angry speech in such rapid French that I could catch only a few phrases, all of them insults. The proprietor backed away; his eyes shifted uneasily; his face was a dirty white behind his black mustache. Harold Loeb, looking on, was a pair of spectacles, a chin, a jutting pipe and an embarrassed smile.

I was angry at my friends, who were allowing the situation to resolve into a series of useless gestures; but even more I was seized with a physical revulsion for the proprietor, with his look of a cur caught stealing chickens and trying to sneak off. Pushing past the waiters, I struck him a glancing blow in the jaw. Then, before I could strike again, I was caught up in an excited crowd and forced to the door.

Five minutes later, our band had once more assembled on the terrace of the Dôme. I had forgotten the affair already: nothing remained but a vague exhilaration and the desire for further activity. I was obsessed with the idea that we should *changer de quartier:* that instead of spending the rest of the night in Montparnasse, we should visit other sections of Paris. Though no one else seemed enthusiastic, I managed by force of argument to assemble five hesitant couples, and the ten of us went strolling eastward along the Boulevard Montparnasse.

On reaching the first café, we stopped for a drink of beer and a waltz under the chestnut trees. One couple decided to return to the Dôme. Eight of us walked on to another café, where, after a drink, two other couples became deserters. "Let's change our quarter," I said once more. At the next café, Bob Coates consulted his companion. "We're going back to the Dôme," he said. Two of us walked on sadly. We caught sight of Montrouge —more Chinese lanterns and wailing accordions and workmen dancing with shopgirls in the streets —then we too returned to Montparnasse and to the vengeance in store for me.

It was long after midnight, but the streets were as crowded as before and I was eager for adventure. At the Dôme I met Tristan Tzara, seized him by the arm and insisted that we go for a stroll. We argued the question of whether the Dada movement could be revived. Under the chestnut trees we met a high-brown woman dressed in barbaric clothes; she was thought to be a princess from Senegal. I addressed her extravagant compliments in English and French; Tzara added others in French, German and Rumanian. "Go 'way, white boys," she said. We turned back, passing the crowded terrace of the Rotonde. The proprietor was standing there with his arms folded. At the sight of him, a fresh rage surged over me.

"Quel salaud!" I roared for the benefit of his six hundred customers. *"Ah, quel petit mouchard!"*

Then I crossed the street once more toward the Dôme, slowly. But when I reached the middle of the tracks, I felt each of my arms seized by a little blue policeman. "Come along with us," they said. And they marched me toward the station house, while Tzara rushed off to get the identification papers left behind in my coat. The crowds disappeared behind us; we were alone—I and the two *flics* and the proprietor of the Rotonde.

One of the two policemen was determined to amuse himself. "You're lucky," he said, "to be arrested in Paris. If you were arrested by those brutal policemen of New York, they would cuff you on the ear—like this," he snarled, cuffing me on the ear, "but in Paris we pat you gently on the shoulder."

I knew I was in trouble. I said nothing and walked peacefully beside him.

"Ah, the police of Paris are incomparably gentle. If you were arrested in New York, they would slap you in the jaw—like this," he said, slapping me in the jaw, "but here we do nothing; we take you with us calmly."

He rubbed his hands, then thrust his face toward mine. His breath stank of brandy.

"You like the police of Paris, *hein?*"

"Assuredly," I answered. The proprietor of the Rotonde walked on beside us, letting his red tongue play over the ends of his mustache. The other *flic* said nothing.

"I won't punch you in the nose like the New York policemen," said the drunken man, punching me in the nose. "I will merely ask you to walk on in front of me. . . . Walk in front of me, pig!"

I walked in front of him, looking back suspiciously under my armpit. His hand was on his holster, loosening the flap. He was waiting for me

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to try to escape, so he could shoot me in the back. I marched on, but so slowly that he had to kick me in the heels to urge me up the steps of the police station. When we stood at the desk before the sergeant, he charged me with an unprovoked assault on the proprietor of the Rotonde—and also with forcibly resisting an officer. "Why," he said, "he kicked me in the shins, leaving a scar. Look here!"

He rolled up his trouser leg, showing a scratch half an inch long. It was useless for me to object that my rope-soled shoes wouldn't have scratched a baby. Police courts in France, like police courts everywhere, operate on the theory that a policeman's word is always to be taken against that of an accused criminal.

Things looked black for me until my friends arrived—Lawrence and Louis and Jacques Rigaud and my wife—bearing with them my identification papers and a supply of money. Consulting together, we agreed that the drunken policeman must be bribed, and bribed he was: in the general confusion he was bribed twice over. He received in all 130 francs, at least four times as much as was necessary. Standing pigeon-toed before the sergeant at the desk and wearing an air of bashful benevolence, he announced that I was a pretty good fellow after all, even though I had kicked him in the shins. He wished to withdraw the charge of resisting an officer.

My prospects brightened perceptibly. Everyone agreed that the false charge was the more serious of the two. For merely punching a stool-pigeon, the heaviest sentence I could receive would be a month in jail. Perhaps I would escape with a week. . . .

I haven't space to describe all the hilarious incidents connected with my hearing, which was held the following evening, after a night in jail and a day spent vainly trying to sleep between visits from the police and telephone calls from anxious friends. I stopped at the Dôme to collect my witnesses; fortunately there was a party that evening and they were easy to find. They consisted of nine young ladies in evening gowns. None of them had been present at the scene in the Rotonde the night before, but that didn't matter: all of them testified in halting French that I hadn't been present, either; the whole affair was an imposition on a writer known for his serious character; it was a hoax invented by a café proprietor who was a pig and very impolite to American young women.

The examining magistrate was deeply impressed. He confided later to André Salmon that the proprietor of the Rotonde had only his own waiters to testify in his favor, whereas I had nine witnesses, all of them very respectable people, *des gens très bien*. It was Salmon, incidentally, who got me out of the scrape, by virtue of the influence he had acquired in the world of magistrates through having reported all the important murder trials for Le Matin. He managed to have my actual trial delayed from day to day and finally abandoned.

But the most amusing feature of the affair, and my justification for dealing with it at length, was the effect it produced on my French acquaintances. They looked at me with an admiration I could not understand, even when I reflected that French writers rarely came to blows and that they placed a high value on any unusual action. Years later I realized that by punching a café proprietor in the jaw, I had performed an act to which all their favorite catchwords could be applied. First of all, I had acted for reasons of public morality; bearing no private grudge against my victim, I had been *disinterested*. I had committed an *indiscretion*, acted with *violence* and *disdain* for the law, performed an *arbitrary* and *significant gesture*, uttered a *manifesto;* in their opinion I had shown *courage*. . . . For the first time in my life, I had become a public character. I was entertained at dinners and cocktail parties, interviewed for the newspapers, asked to contribute to magazines published by the Dadaists in Amsterdam, Brussels, Lyons and Belgrade. My stories were translated into Hungarian and German. A party of Russian writers then visiting Paris returned to Moscow with several of my poems, which appeared in magazines issued at the expense of the Soviet government.

These poems were not at all revolutionary in tone, but they dealt with a subject which had been arousing the enthusiasm of Soviet writers. They were poems about America, poems which spoke of movies and skyscrapers and machines, dwelling upon them with all the nostalgia derived from two long years of exile. I, too, was enthusiastic over America; I had learned from a distance to admire its picturesque qualities. And I was returning to New York with a set of values which bore no relation to American life, with convictions which could not fail to be misunderstood in a country where Rimbaud was hardly a name, and moral judgments on literary matters were thought to be in questionable taste—in a city where writers had only three justifications for their acts: they did them to make money, or to get their name in the papers, or else because they were drunk.

Bull Market

On August 2, the day of my departure from Paris, President Harding died in San Francisco. His place in history had already been assigned to him before my voyage ended: he was to be known throughout the ages as the great apostle of peace. French troops were bivouacked in the Ruhr. Hugo Stinnes, said to be richer than Rockefeller, was treating with France as an independent monarch. Lenin declined: some asserted that his brain was drying up, and some that he was being eaten by worms. The New Economic Policy was reported to be partially effective—to the degree, that is, in which it represented a departure from the strict monstrosities of communism. Prohibition and the

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Ku Klux Klan were the front-page topics of American newspapers, though some attention was paid to the bumper wheat harvest and the low prices resulting from it. Factories were busy, except in New England; construction boomed everywhere. The stock market, after declining in the spring, was slowly rising toward new heights, and the country as a whole was beginning its ascent toward the peaks of the New Economic Era. American literature, too, was entering a period of excitement and inflation. It was possible for young writers, myself included, to disregard the Ruhr, Fascismo, reparations, the New Economic Policy, the overproduction of wheat and the birth of a New Economic Era, as they bedazzled themselves with the future of their art.

New geniuses were being discovered every week in the leading critical reviews, usually a different one by each review: there was an appalling overproduction of genius. Old writers had suddenly become old fogeys, querulous and absurd. The modern novel, the essay, the drama, all seemed incomparably rich, and lyric poetry was about to enter its golden age. "Coming out in the train," wrote Burton Rascoe, "I had been counting up our lyric poets of the first order since Poe"; and he compiled a list which the Elizabethan or the Romantic period could scarcely equal—certainly not in lyric poets of the first order:

"Emily Dickinson, yes, on the evidence of two or three lyrics alone—Sarah Teasdale, darn near it, darn near first rank anyhow. . . . Edna St. Vincent Millay, absolutely, because she is one of the few poets who have been able to breathe life into the sonnet since Shakespeare; Arthur Davison Ficke is another, and Cummings! But we'll come to him—Wallace Stevens for a certainty . . . and there's Conrad Aiken, ecstatically and imperishably lyrical when you excavate—and T. S. Eliot, poet laureate and elegist of the jazz age . . . Ezra Pound; now Pound's a talent, but has he written more than one lyric? . . . Put him down anyway—Comes then who? Sandburg, Bodenheim, Lindsay, Masters, Lowell (Amy), Kreymborg?—let's keep Kreymborg in . . . Robinson, Wheelock. . . .

"Who remains? Who indeed, but the chap we're to meet this afternoon. If there is a finer lyricist since Keats and Swinburne (I include them both), forgetting Yeats, in the English language, I wish you would introduce me to him. Uneven? Yes, I grant you! So was God."

E. E. Cummings, the subject of this paragraph, is an extremely gifted poet, and Rascoe showed perspicuity in recognizing his talent at a time when most critics were merely ridiculing his use of the lower-case "i." But Cummings must have been embarrassed at being glorified like Miss Universe, placed above Keats and Swinburne, left standing at the right hand of God.

If I quote from Burton Rascoe, it is chiefly because his weekly book page in The New York Herald Tribune, selected passages from which were reprinted in 1929, without textual changes, as "A Bookman's Daybook," gives a better picture of that frenzied age than any historian could hope to equal. He was distinguished among literary journalists by taking his profession seriously, by trying to discover unknown writers and by attacking famous men at no small risk to his own career. Moreover, he was gullible: he partook of a quality which, if united with frankness, lends interest to any literary document. Meeting the new celebrities who appeared from week to week at the Coffee House or the Algonquin, he accepted their standards, good or bad, lived in an atmosphere of feverish glamor, and reported their conversations as if he were describing a banquet at which Plato had jested with Alcibiades.

"Only very young writers," he said, "or writers who talk a great deal more (and better) than they write, discuss Art and Style and Culture; the others give themselves over in conversation to gossip and anecdote (if art and artists form the topic of conversation)." He might have reflected that people usually talk about whatever interests them most. If the celebrities he met rarely discussed art or style, perhaps it was because these subjects had ceased to concern them; writing had become a job like any other. Gossip and anecdote — who ran off with whose wife, and who served good cocktails, and who got the biggest royalties — were the topics closest to their hearts.

"Carl Sandburg," he continued, "plays a jew's-harp and a guitar and sings barroom songs. Robert Nathan plays a cello; Ben Hecht plays the violin; H. L. Mencken plays the bass in four-handed arrangements for piano and small orchestra; Edmund Wilson is a sleight-of-hand performer; George Jean Nathan is an expert clog-dancer, having taken innumerable first prizes (incognito) on amateur nights at the burlesque houses; John Dos Passos is a juggler; Alfred Kreymborg plays the mandolute; Maxwell Bodenheim is an exhibition dancer; Carl Van Vechten is a spirit medium; Ernest Boyd is very deft with the musical glasses; Elinor Wylie can throw her thumbs out of joint; Scott Fitzgerald is a high diver and sometimes leaps from great heights into a bathtub only partially filled with water; Samuel Hoffenstein is a ventriloquist; F. P. Adams plays the harmonica; Robert Benchley is good at charades and impersonations; Percy Hammond does the sailor's hornpipe; Wallace Smith and Achmed Abdullah are sword swallowers; Florence Kiper Frank is a toe dancer; Will Cuppy plays 'The Maiden's Prayer' on the piano; Floyd Dell can do a Russian cossack dance; James Branch Cabell gives a fascinating exhibition in shadow swordsmanship; Rupert Hughes is a yodeler; Joseph Hergesheimer likes pillow and post office; Charles Hanson Towne and George Chappell are a perfect scream in a burlesque of the opera. . . ."

The literary business was booming like General Motors, like Larry Fay's night clubs in the Roar-

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ing Forties, like the subdivision racket, and yet. . . . In this distinguished vaudeville, there was not much place for angry young men without parlor tricks, who talked seriously about the problems of their craft and boasted of having no sense of humor. Their aims were difficult and obscure; their faint hope of success depended on remaining united among themselves and quarreling only with the public.

MALCOLM COWLEY.

In his third article, Mr. Cowley will describe the war of the little magazines, which began with eloquent statements and ended in fisticuffs. — THE EDITORS.

Who Pays for British Unemployment

This second article by Miss La Follette, though written before the fall of the Labor government, deals with a fundamental issue on which the next election will be fought.—THE EDITORS.

IN MY FIRST letter I contrasted the situation of the British unemployed on the "dole" with that of the American unemployed depending on charity. I trust none of my readers drew the conclusion that the "new privileged" of Great Britain are rollicking in unaccustomed wealth. Not that one does not hear this complaint of them. One of the most frequent criticisms of the "dole" is that its recipients spend it on the movies. Their financial position, however, cannot be said to warrant their indulging this universal passion very freely.

The worker, for example, who is drawing unemployment benefit with allowances for a wife and five children, enjoys the opulent income of thirty-six shillings a week—that is to say, $8.64. If his wife is also on the "dole," the family income will be increased to forty-two shillings, or $10.08, for only one of them can draw benefit for dependents. Now, if we suddenly advance the children to maturity and assume that they are all males, the maximum income of that family from the Insurance Fund will be $28.08 a week—not an amount calculated to maintain seven adults in luxury, even in England where living is considerably cheaper than in America. Nor is it calculated to tempt them to remain idle, since the amount of benefit allowed is from one-third to one-half the weekly wage of the average worker (save where the allowance for dependents causes it to approximate the weekly wage of the low-paid laborer). If the British worker no longer need fear the worst consequences of unemployment, he has by no means escaped its hardships. In answer to those critics who maintain that the worker, as the sole beneficiary of the insurance scheme, should contribute a larger share of his earnings to its support, the Trades Union Congress General Council has cited figures published in The Ministry of Labor Gazette showing that from the end of 1920 to the end of 1930 the net loss of aggregate money wages to the workers was £4,640,000,000. It is not surprising, therefore, that the Poor Law authorities are sometimes obliged to supplement the unemployed worker's benefit with an allowance from the public-assistance fund. Nor is it surprising to learn that whole families are living in one room; or that for every job that offers there is a swarm of applicants.

None the less, the payment of benefit even at these rates has become a heavy burden on the Exchequer—so heavy indeed that it has knocked Mr. Snowden's budget all awry. Many explanations are advanced for this state of affairs, but they may be summed up in the statement that the government has placed upon the Insurance Fund practically the entire burden of unemployment since 1920, thus subjecting the scheme to a strain which it was never intended to bear and which, indeed, calls in question the possibility of coping with continuous large-scale unemployment by means of a contributory system of insurance.

According to the latest announcement by the Ministry of Labor, the numbers of persons registered at the Employment Exchanges of Great Britain on July 27, 1931, as applicants for employment, were 1,877,543 wholly unemployed, 724,690 temporarily stopped, and 111,117 normally in casual employment, making a total of 2,713,350. This was then the largest recorded total of unemployed in Great Britain.

It is obvious that as unemployment grows, the number of contributions to the Fund decreases, while the demands upon it increase. For every 100,000 insured persons added to the register of unemployed, the loss in income from contributions is about £350,000 per annum, and the increase in benefits paid about £4,500,000. Every substantial increase in unemployment, therefore, means further borrowing from the Exchequer. When the Interim Report was issued, in June, the Fund was some £80,000,000 in debt, and the Minister had been authorized to borrow up to £90,000,000. Since then the authorization has been extended to £115,000,000, and the further £25,000,000 will tide the Fund over until January 1 if you happen to be listening to a Laborite, or until November 1 if you happen to be listening to a Conservative. The income of the fund from contributions is estimated by the Commission at £44,550,000, on the basis of 2,500,000 unemployed; its expenditure, including interest on the debt, at £84,000,000. If unemploy-

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ment continues to increase at its present rate, or even remains stationary, it is evident that the income for this year will be considerably below the one figure, and the expenditure considerably above the other.

Budgets, however, can be balanced by new taxation, and this is a rich country, whose citizens are notably patient under heavy demands by their government. It is industry, in the last analysis, which defrays the whole cost of the insurance scheme; for there is no other source for it to be paid from. But that part of the burden which falls on the Exchequer is distributed over the whole body of taxpayers, among whom are many who draw unearned incomes from industry and are thus obliged to return to the producing classes a fraction at least of what they take away. As for that part of the cost which is directly assessed upon industry, the employer's share, as one employer reminded me, is passed on to the consumer—in the domestic market; there is no doubt that it handicaps him in competing for foreign markets. The worker cannot pass on his share to anyone, and in this time of uncertain employment it constitutes something of a hardship. The government has recently passed a bill designed to correct anomalies that have arisen under certain provisions of the scheme. The truth is that the whole scheme has become anomalous through incessant tinkering.

One hears so much about the ruinous effect of unemployment insurance on British industry that one might easily come to regard it as the only obstacle in the way of economic recovery if one did not occasionally remind oneself that the total sum spent on the unemployed last year, in insurance benefits and poor relief, amounted to considerably less than one-third of the annual fixed charge for the public debt. As for governmental expenditure on unemployment insurance, that amounted (borrowings included) to £73,000,000, or a little more than one-fifth of the debt charge. The total estimated cost to the government last year of all the social services is given in the Royal Commission Report at £195,000,000 (including the borrowings of the Insurance Fund). The fixed-debt charge is $355,000,000. Unemployment insurance is a charge on industry, and a heavy one; but the service of a public debt which on March 31 stood at £7,413,278,000 is much heavier. Though there is a great deal of talk about the need of economy in national expenditure, one rarely hears any suggestion (and never from any official source) that the interest on the debt might be reduced. The nation's obligations to its bondholders are sacred; those to its unemployed workers are open to heated dispute.

This being the general opinion, apparently, all discussions of economy center around the social services, and especially the "dole." All parties are agreed, I think, that it can no longer fairly be spoken of as an insurance scheme, and all agree that it should be revised. How it should be revised is a question which everyone answers in the light of his own particular interest.

The employers' organizations, for example, recommend that benefits be reduced by one-third, in view of what they term the reduced cost of living (I have been able to discover no individual to whom this reduction is apparent), and that contributions shall never exceed five pence a week from each of the three contributing parties, industry, labor and government. They recommend the restoration of the principles of direct ratio and yearly limit, and propose that the unemployed who would thus be disqualified for benefit be provided for out of a national relief fund only after careful inquiry into their needs, and only so long as they do not refuse work which the authorities consider them "reasonably capable of performing." The employers are by no means unaware that unemployment insurance has benefited themselves as well as the unemployed; for by distributing the burden of depression over a large number of industries and the taxpaying public, it has kept up a certain general buying power among the masses. On the other hand, their contributions to the fund must be paid whether or not they are earning any profits; and those among them who are competing for foreign markets find themselves handicapped by the addition of insurance to their costs of production.

I have talked with several Conservative Members of Parliament who advocate the same distinction between insurance and relief as the employers' organizations. The Parliamentary Committee on National Expenditure, in its report which was issued just before the Parliament adjourned, recommends that benefits be reduced by 20 percent and contributions raised to ten pence from each contributing party in the case of adult men workers. As for the Royal Commission, it recommends that, pending its final report, contributions be raised to nine pence from each contributor and benefits reduced to fifteen shillings for men and thirteen for women. It also suggests that payment of benefits be restricted to twenty-six weeks in a period of twelve months following the application, a provision which, if adopted, would throw about six-sevenths of those now receiving the dole upon transitional benefit (the cost of which is met by the Exchequer). It proposes to reduce the added burden to the Exchequer by setting up more stringent conditions for the receipt of transitional benefit.

All these recommendations, save that of the employers, would add to the burden now borne by employers and employed workers. They would also, presumably, increase the considerable number of civil servants whose business it is to pry into the affairs of their fellow citizens. One would hardly expect the workers themselves to regard with favor either a reduction of what means they have when out of work, or a further addition to

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their burdens when working. Nor could they be expected to agree that the duration of his misfortune in being unemployed should make the worker liable to the further misfortune of having to submit to governmental snooping into his private affairs, as the price of subsistence.

One is not surprised, then, to find that the workers' organizations, while quite as much dissatisfied with the present situation as the Conservatives or the employers or the Royal Commission or the Economy Committee, have very different changes to propose from any that those groups envisage.

> Unemployment [says the Trades Union Congress] is a national and international problem resulting from the industrial system under which we live. The workers are not the authors of that system, but the victims of it, and unless the community so organizes its resources as to provide work for every willing worker, the unemployed, as the reserves of industry, are entitled to maintenance.

Accordingly, they demand that contributions from workers and employers be abandoned, and the insurance scheme changed to one of maintenance from the Exchequer for every unemployed worker, to be provided by a special levy upon incomes. And they are for raising benefits to twenty shillings in the case of adult workers. I may note that this is the sole instance, in all the discussion I have heard and read upon this problem, where no distinction is made between men and women workers. Even the Labor government assumed, as do employers, that men and women live on different subsistence levels.

To the outsider it would seem that the government should either spread the burden of unemployment insurance over all workers and employers by extending the scheme to all occupations, or that it should adopt the work-or-maintenance idea advanced by the Trades Union Congress. There is no valid reason why the banking and insurance companies, for example, should be allowed to have their own insurance schemes and be exempted from contributing to the common fund. They are two of the richest groups in the country, and there is very little unemployment among their workers. Their costs for unemployment insurance are, therefore, very light. As the Trades Union Council points out, the unemployment-insurance scheme designedly includes only "bad risks." No commercial insurance company would dream of attempting to operate on such a basis.

I believe that a system of work-or-maintenance would be not only easier to administer, but actually cheaper, than the present scheme. It seems not only questionable ethics, but rather bad economics, to require employers and workers to contribute to the Insurance Fund, not only as parties to the scheme, but as taxpayers—for to assume that the British worker pays no taxes is to be unaware that "free trade" England collects as much yearly in customs revenue as protectionist America. This double burden is a pretty discouraging one for British industry to bear. If it were lightened by the removal of the burden of contributions, the effect would unquestionably be to stimulate trade and thus increase employment.

Even a country as rich as this, however, cannot carry indefinitely the gigantic and continually increasing burden of debt, armament and forced idleness that England is bearing today. Somewhere, somehow, the burden must be reduced. The Economy Committee gravely suggests cutting insurance benefits, reducing educational grants and the salaries for teachers, lowering the pay to the police and of the personnel of the fighting service—and so on, to a total of some £96,000,000, to be taken chiefly out of service income. It says no word about inviting those who draw income from government securities to share in the sacrifice demanded of the workers—but so far as I am aware, only one paper, The Scottish Forward, commented on this significant omission.

Significant because it illustrates the universal disposition to let the producing classes bear the brunt of the depression. A hundred times since I have been in England I have heard it said that "The standard of living is too high." When I ask whose standard, I am informed that British wages are much higher than wages on the Continent. It is the standard of the workers, then, that is too high—not by comparison with that, let us say, which prevails in the West End of London, but by comparison with that of the Continental labor with which British industry must compete. One would expect a Labor government to find ways to enable British industry to compete with Continental industry without sacrificing the wages of British workers. But that would necessarily involve some pretty revolutionary readjustments, which even the extremists in the Labor party, in their preoccupation with what is under their noses—wage scales and the "dole"—do not seem to consider.

One can hardly exaggerate the interest of the present situation. Here is a country which has at one end of the social scale a very large group of involuntary idle whose support, even at the level of bare subsistence, is enormously expensive; at the other a comparatively small but even more expensive class of traditionally idle; and the question one asks oneself is, how long its industry can stand the strain. Its financial policy since the War has been extremely profitable to its bankers and bondholders and disastrous to industry; for where other countries wiped out three-fourths of their war debts through inflation of their currency, Great Britain, by reverting to the gold standard, ensured the payment of its own at twenty shillings in the pound. Thus were its bankers enabled to maintain their position as the world's chief moneylenders, at the expense of the industry upon which, as the City is slowly coming to realize, that position depended.

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British industry is handicapped by high costs, new competition in the world's markets, antiquated equipment, an antiquated point of view and a crushing burden of rents, royalties and taxes. And British industrialists are confronted by an extraordinarily intelligent working class which is jealous of the improvement in its economic situation that has been brought about through its own efforts, and is quite ready to fight against such grievances as it is aware of. What Britain will do, under these circumstances, with its two classes of unemployed is an interesting question which I have not space to discuss here. One thing, however, may be said: it cannot shake off without danger of revolution either the voluntarily idle whose privileges are depressing industry, or the involuntarily idle whose leisure results from the depression.

SUZANNE LA FOLLETTE.

London.

Washington Notes

Progress of Republican Hysteria—Drafting Mr. Coolidge—Coyness of Calvin—The "Chief" 's Renomination Assured

IT IS NATURAL, I suppose, that the difficulties of the present Republican situation and the depressing character of their 1932 outlook should cause talk from time to time of "drafting" Mr. Coolidge for the presidential nomination. In the past few months there have been at least four widely spaced but none the less interesting pieces of publicity based on this idea. I predict that there will be as many more in the months to come. Up to the very date of the national convention there will be speculative gossip in and out of the newspapers about drafting the so-called "Sage of Northampton." What interests me about this "draft Coolidge" business is not so much the variety of ways in which it crops out, as the seriousness with which it is spasmodically taken by those who not only ought to but do know better.

It is normal enough, I imagine, for the great mass of newspaper readers, steeped as they are in political ignorance, to regard Mr. Coolidge as a 1932 presidential possibility. The manifest Hoover handicaps—the animosities he has aroused, his loss of prestige and popularity, the lack of prosperity, the Farm Board failures and the painful pinch of economic conditions for which he is almost unanimously, though unreasonably, blamed—all these things are obvious to the average voter. Contrasting them with the conceded fact that the good Calvin, whose inertia, inanity and marvelous luck vaccinated him against enmities, would make a stronger candidate, they are disposed to think: why not? I can understand that easily enough. What I find difficult to grasp, however, is why the men, politicians and publicists, who know very well why not, should take —or at least seem to take—such ridiculous piffle as drafting Coolidge or drafting anyone else with any degree of seriousness. Yet every time one of these "draft Coolidge" stories breaks in the newspapers, the administration political advisers, counselors and guides grow irritable and apprehensive. The look of alarm does not leave the faces of some of them for days. Partly this is due, I think, to the congenital cowardice of politicians. And partly it is due to the fact that with this particular set of politicians—the ones surrounding Hoover, I mean—an unusual accumulation of troubles along with a prolonged and unbroken run of bad luck for their leader have severely strained their nervous systems, left them in a jumpy condition which prevents them from thinking calmly and seeing clearly.

I find it even harder to see why some of the hard-headed, seasoned and experienced cogs of the Old Guard organizations, veterans of many campaigns and most of them with the 1912 Taft-Roosevelt battle still fresh in their memories, should find the twaddle about Coolidge for 1932 of any interest at all. Yet they do. It is true that with men of this type success of the party is the prime thing always. They care very little for individuals, but a Republican defeat is a personal blow which cramps their style and spoils their game. It is also true that while they like Coolidge no more than they do Hoover, they recognize he would be less handicapped in the campaign and for that reason would like to switch if it could be done. The surprising thing is that there should be any among them who think it possible. Yet the truth is that one or two have become so panicky over the prospect of defeat that the last Coolidge item caused a flutter in the small circle of which they are a part. Actually, one with whom I have talked and whose identity would be a surprise, made the trip up to Northampton for the purpose of "seeing for myself what was the situation."

This particular Old Guardsman came away convinced that Mr. Coolidge has not the remotest idea of being nominated, but adores the publicity and is distinctly pleased at the suggestions of drafting him from no matter what source they come, which, when you come to think of it, is natural and human and nothing for which he should be criticized. He came—the visiting politician—back to Washington, accepting the Hoover renomination as assured, and certain that the Coolidge talk is merely the normal thing to expect in the case of a popular ex-President, not disqualified by age from running again. None the less, I am willing to bet that this old boy, practical as he is, will be stirred again to an interest in Coolidge the next time he is featured in the papers.

It is one of my favorite theories about politicians that they are not exceedingly shrewd, clever fellows who calculatingly fool the public and are full of guile and wisdom. Actually they are for the most part credulous, cowardly and not at all clever. Quite often they gull themselves in gulling other people, believe in their own fakery and are as disposed to ignore the basic facts in their own profession as are the nonpolitical masses. Further, the tendency of the daily press is to be as credulous in political matters as the voters. There is no other theory upon which can be explained the publication of hundreds of columns of interviews and statements from public men, conceived and written by the paid party press agents, repeating the same news, often in the same words and always in the same manner. The politicians deceive themselves, the newspapers deceive themselves and the people are deceived by

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both. Always—or nearly always—in both political parties there is talk of drafting some man for the presidential nomination. On the Republican side this time it happens to be Mr. Coolidge. On the Democratic side the draft talk centers around Al Smith. There is not so much of that now because Roosevelt is so far ahead of the field and the opposition to Smith within the party is fully equal to his support. Yet there has been intermittent discussion for weeks—and it will continue—of the possibility that the Democratic convention may be "stampeded" for Al.

There are plenty even now who believe that Roosevelt will be unable to get the necessary two-thirds vote, that the convention will deadlock for several days and then the magic name of Smith will be sprung and the stampede do the rest. Rot, rot, rot. Nothing like that will happen in either convention, and no person not politically unbalanced thinks it will. It is no more in the cards for Smith to be nominated than it is for Coolidge—and both know it. Presidential candidates are not drafted—vice-presidential perhaps, but not presidential. Conventions are not "swept off their feet." Surprises are not sprung on the delegates. When a compromise candidate is named, the compromise is a calculated one, well thought out in advance. Eloquence does not swing delegates. Dramatic changes do not occur in conventions without premeditations and planning. That sort of stuff is fictional politics, not real politics. In real politics, it is the expected that happens 95 percent of the time.

T. R. B.

Washington.

Lucian versus Plato

MR. JOHN JAY CHAPMAN still seems to me the most interesting writer of literary criticism in America. He hasn't the learning of a Paul Elmer More and he doesn't cover so much ground. He is an amateur scholar and he develops no esthetic or philosophical theory. But he has the full range of European literature and he brings to it a strong personal point of view. And when one reads him one realizes how great an advantage it may be for a critic not to be a professional—how much our scholarship and literary commentary move in an atmosphere of conventional assumptions.

Mr. Chapman, as William James said, always seems to be looking at things for the first time. The great books of the past represent to him neither a pantheon nor a vested interest. He approaches them much as he would approach interesting contemporary persons—by which I do not mean that he tries to judge them by contemporary standards, but that, in joining them on their own ground, he goes straight to them across the centuries, an independent traveler who pays his toll to the people who keep the roads but, not finding their conversation particularly interesting, lingers at the toll-gate as briefly as possible. This impatience sometimes costs him blunders—he sometimes badly misunderstands, sometimes makes errors of fact. But he has at least gotten there and seen the man himself, and he can always tell you some illuminating things about him—things which not infrequently let the cats out of academic bags.

Mr. Chapman's latest visits have been to Lucian and Plato,[1] and he comes back to report that Plato is a pederast and that this plays a greater part in his work than is generally admitted, and that he is not a philosopher at all, but "a prince of conjurors"; and that he has found Lucian a much more impressive person than he is ordinarily reputed to be and essentially a more serious-minded man than Plato.

As for the first of these pieces of news, Mr. Chapman, though he does not enlarge upon it, is the first writer I have read who has given Plato's homosexuality its proper importance. Because it is impossible to blame it entirely on the age: Euripides and Aristophanes deal with the subject on occasion as well as Plato, but we never think of it particularly in connection with them, whereas Plato is evidently a true and complete homosexual. So far as I remember, among all the examples of love referred to in the "Symposium," there is only one woman, Alcestis. And in his work as a whole there seems no sense of the attraction of women: there is only a detached and generous desire to see them able to engage in the same pursuits as men—that is, no doubt, to see them more like men. The whole of Plato's work seems the product of some strange sublimation. He never reaches a climax of dramatic intensity, but only rises to a luminous, steady and slightly complacent glow. (Diotima, acording to Mr. Chapman, is "an odious creation, being a man in disguise.") And there are no real physical collisions in his dialogues at all—whereas if he had written plays, he would have been obliged to make them mount up either to catastrophes or to orgies. The discussion of pederasty in the "Laws" shows that Plato had the problem on his mind and even on his conscience, and at the same time how inextricably it was bound up with his esthetic sense and his idealism. Has nobody seriously studied Plato from the point of view of his emotional life?

It is also true that Plato is fundamentally an artist rather than either a philosopher or a moralist. He is a great novelist who works with human thought instead of with human action. If his association with Socrates was the great inspiration of his life, it was because it inspired him to the conception of a great artistic creation. Whatever he makes this creation say about government, knowledge or morals, and even though he wants the irresponsible poets expelled from the Republic, we feel that Plato's wonderful art is for him enough, that he is profoundly self-satisfied at being able to weave ideas so subtly and to rise to such beautiful eloquence. "The question as to Comedy and Tragedy," Mr. Chapman admirably writes of the end of the "Symposium," "has flitted off like a dove in the dawn. But with what amazing genius has Plato let it loose! For the art of Plato is to leave things in the air." Nevertheless, in his discussion of love, Socrates has made a point. But Mr. Chapman distrusts Plato's points:

> Plato soothes and rests [he writes]. He takes the mind off its troubles and supplies it with imaginative solutions for problems which do not press. To read him is a solace and to write commentaries on him is

[1] Lucian, Plato and Greek Morals, by John Jay Chapman. Boston: Houghton Mifflin Company. 181 pages. $2.

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> an entrancing and enduring preoccupation. He is the patron saint of those who sit in armchairs and speculate. His wealth of information, myth and anecdote, the amenity and fluidity of his procedure, endear him to all book-lovers. He is enshrined in a civilization which will interest the world as long as intelligent men shall be born into it. Even the limitations and defects of the Athenians are stimulating. "Athens," we say, and surrender ourselves to romance. We sleep while awake; and if you point out that Plato deceives us by intellectual legerdemain which cheats the mind, nay, if you should prove it, this will make you no friends; for, as Mr. Barnum discovered to his profit many centuries later, the public likes to be fooled. A vision of truth which does not call upon us to get out of our armchair—why, this is the desideratum of mankind.

I will not say that Mr. Chapman does not overdo his case against Plato; but his reminders are worth having at a time when Mr. Paul Elmer More has just got done laying the Athenian under contribution for his substitute religion. For example, has Plato's absolute dualism of mind and body, of which Mr. More makes so much, no connection with the biologically abnormal character of his sexual tastes? Plato, pagan though he is and for all his apologetics, has his reasons for hating and fearing the body as Mr. More, the Puritan, has. It is amusing to contrast Mr. Chapman's account of the "Symposium" with Mr. More's. Mr. More, after mentioning with stern honesty and dismissing with grave decorum those aspects of Plato's banquet which excite Mr. Chapman's astonishment and ribaldry, goes on to build the "Symposium" into that solid edifice of humanism which is to be crowned with the "Shelburne Essays" and "Rousseau and Romanticism."

Of Lucian, on the other hand, Mr. Chapman writes as follows:

> Lucian, like Plato, wrote dialogues. He made his living and expressed himself through the dialogue. He is as anxious as Plato to entertain his audience, and his dialogues are as ironical as Plato's; for the art of each of these artists is Hellenic. The difference between them lies in this, that Lucian's eye is ever on the actual world. He desires to pull down those ideas that float vaguely in our imagination and relate them to real life. There is in Lucian a non-Hellenic, ethical passion which has the heat of religion, yet does not appeal to the authority or use the symbols of religion. His theme is conduct, and his appeal is to courage. He would break down every screen of theory that lies between the private mind and practical life; for he believes that the depravities of men are to be attacked through a clearing-up of the brain. He thinks that if men could be made to see more clearly, they would act differently. His own mind is devoid of metaphysical theory of any sort, and it is due to this that his character-drawing, whether in thumbnail sketches or in full-length portraits, has such telling vitality. Lucian's approach to the reader is not like Plato's through argumentation, but dramatically, as by living pictures. His characters come toward the reader, and seem at times to start out of their frames.
>
> Lucian would seem to have two claims upon our interest, which appear at first sight to be far apart and unrelated, yet are, nevertheless, interlocked. He is the earliest socialistic writer and he is the first cosmopolitan of the modern world. He is, so far as I know, the only writer of the antique world who is interested in the lost man, in the humblest member of society. . . . The classic Greeks had been a provincial people, shackled by race-tradition, by artistic and metaphysical conservatism, and by their conscious superiority to the rest of the contemporary world. In the six hundred years between the death of Socrates and the death of Lucian, the gestation of the modern world was in process, and we have today more in common with the mind of Lucian than with the mind of any Greek classic. As Lucian sees the classics, so they appear to us in our natural mood and when all our vital instincts are alive. He has none of that conscientious and falsetto attempt to understand and appreciate Greek literature which our current teaching inculcates. He handles it boldly, and he is right. Most of the surviving Attic prose is show-literature, and we ought no more to rely on it for our notions of ancient Greece than we rely on the speeches of Edward Everett for a picture of America in 1835, or on the declamation of Bossuet for an estimate of the Age of Louis XIV.

Mr. Chapman has included brief selections from Lucian and his book makes an extremely attractive introduction.

Lucian's comparative unpopularity he explains partly by the enmity of the Church, partly by the enmity of the professors:

> The professional philosophers whom Lucian hounded so unmercifully were the ancestors and the congeners of the whole doctorate class of the after-world. . . . Lucian has felt and expressed for this class such a venomous hostility that the representatives of the class in every epoch since his day have bristled under his audacities. No, they do not like him: they cannot be just to him: they belittle him: they warn the public against him as a clever man, but too destructive. And then, too, his idiom is not correct; it may be beautiful, but it is not Attic. They must give praise to him for his wit, but as a rule they dim that praise with disparagement.

This passage and the satisfaction of reading one of Mr. Chapman's books sets one wondering about the reasons for the comparatively limited circulation of Mr. Chapman's own work. No doubt his own irreverence toward the professionals has something to do with the situation—especially as he usually makes a point of indignantly defying them. At the same time, he has none of the journalistic effectiveness of the younger professor-baiters like Mencken: brilliant as his prose is, his methods are not sensational and he rarely occupies himself with contemporary literature. It is true that one finds among the English people who both know the classics well and approach them with independence. But Mr. Chapman is an American and his manner is probably calculated to chill, his judgments to take away the breaths of even intelligent Englishmen.

He is in consequence an anomalous figure, at right angles to everybody else. And he suffers somewhat—as

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Samuel Butler did—from the isolation of the man who fits in nowhere and agrees with nobody. His antagonisms and his challenges seem sometimes to arise from totally false ideas as to what other people are up to. Yet, however much at cross-purposes with the rest of the world, he continues to have a unique value for it: he continues amidst what sometimes seem the all-debasing timidity and venality of that world, to realize, in his literary as well as his political activity, the idea to which his career has been devoted, uncompromising integrity of the individual.

EDMUND WILSON.

Films: A German Danton

THE FRENCH Revolution returns to terrify the bourgeois once more in the German talking picture, "Danton." The guillotine clanks grimly up and down, the militant mobs parade the streets, and the heroes of revolt thunder at the people. But most impressive of all is the life-size figure of Danton, played by Fritz Kortner, one of the foremost actors of the German stage. Herr Kortner himself is a heroic figure, with the head of a philosopher and the voice of a giant. In street scenes and convention halls he expounds the principles of the Revolution as if they were veritably his own ideas; we feel the prodigious renovating force of them as the great Jacobin stirs the people and the statesmen about him to frenzy. A king is condemned; a new social order is baptized in blood.

The revolutionary period has usually been a fertile source for the most preposterous melodrama. But the director of "Danton," Hans Behrendt, while developing a highly charged atmosphere for the whole play, has shown himself neither so sentimental nor so *simpliste* as other devisers of historical pictures. The scenes from the life of the demagogue, and those from his background, are intelligently chosen; they are produced with restraint and with a certain respect for the importance of the themes developed. Depths of serious characterization are reached in the portraits of Robespierre, Marat, Saint-Just and the lesser figures of the period; if at times the other players are overshadowed by the stormy Danton, at others, they seem galvanized by him.

The succession of animated scenes culminates in the Reign of Terror, when Danton himself is condemned as a counter-revolutionary by the Committee of Public Safety. He is at bay; once more he speaks from the rostrum of the Convention, but in his own defense. Here, at the climax of the play, the whole canvas is painted in magnificently by the producer. The tiers of seats, crowded with the deeply stamped faces of the revolutionists, enclose the orator. He thunders and bellows once more; at times the deathless voice grows to such volume that the sound machines are moved off as far as possible, and the words come floating to us as from a great distance. He descends from the rostrum, gesticulates at the crowd, mounts energetically from one tier to another. He turns this way and that way, fixing, magnetizing all whom he confronts. Vigorous movements in the crowded hall signal his own impetuous progress. His appeals to the representatives of the people evoke a mad enthusiasm. It is as if, unaided, he has saved himself from the guillotine and won over the people. But a moment later, the autocratic Committee of Public Safety sends soldiers into the hall and Danton is led off to trial and execution.

In dealing with broad mass movements, the talking picture is generally confined by its technical limitations as compared with the silent film. This is true of "Danton," which has a smaller scale than certain German historical pictures of a few years ago—except for the final scenes of the hero's downfall. These, both in photographic and theatrical qualities, stand above almost all recent work and breed much hope for the new art.

MATTHEW JOSEPHSON.

Emblems

I

Virginia Maryland and Caroline
Pent images in sleep
Clay valleys rocky hills old fields of pine
Unspeakable and deep

Out of that source of time my farthest blood
Runs strangely to this day
Unkempt the fathers waste in solitude
Under the hills of clay

Far from their woe fled to its thither side
To a river in Tennessee
In an alien house I will stay
Yet find their breath to be
All that my stars betide,
There some time to abide
Took wife and child with me

II

When it is all over and the blood
Runs out, do not bury this man
By the far river (where never stood
His fathers) flowing to the west,
But take him east where life began,
O my brothers there is rest
In the depths of an eastward river
That I can understand; only
Do not think that truth we hold
I hold the slighter for this lonely
Reservation of the heart;
Men cannot live forever
But they must die forever,
So take this body, at sunset,
To the great stream whose pulses start
In the blue hills, and let
These ashes drift from the Long Bridge
Where only a late gull breaks
That deep and populous grave
Whose heart with memory shakes.

ALLEN TATE.

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CORRESPONDENCE

Stabilization through Racketeering

SIR: I do not know that in recent treatment of racketeering any reference was made to the economic advantages of that practice. I am enclosing a copy of a letter written to me by a former student, to which I am giving the title "Modern Political Economy." You will see that obviously I must keep the name of my informant confidential, but I thought you might be interested in the generalization which he ventures to make.

JOHN R COMMONS.

University of Wisconsin, Madison, Wis.

[ENCLOSURE]

Dear Mr. Commons:

An incident has come to my attention which indicates that we do have stabilization under capitalism as well as under Communism or Fascism.

At a conference of jobbers which I attended recently, one of the men in the business stated that his line of business was in better shape in Chicago than any place else in the country. This is due to the fact that racketeers have come in to prevent cutthroat competition.

Salesmen and truck drivers are organized, and when a firm is found to be cutting under the agreed standards, the racketeers controlling the unions pull off the salesmen of the firm as well as the truck drivers.

It appears that we have three possible forms of stabilization actually in operation—Communism in Russia, Fascism in Italy and racketeering in Chicago. The serious aspect of the Chicago situation is, of course, that there is a real demand for limitation of competition. To date, no satisfactory legal means have been developed to correct cutthroat competition. As a result, racketeers are able to operate profitably with the tolerance of the business men.

In Praise of "The Good Earth"

SIR: I have just read Mr. Younghill Kang's review of "The Good Earth," by Pearl Buck [The New Republic, July 1] and find it typical of the point of view of many Chinese who have spent so much time away from their native land that they have forgotten much of the life there, and frequently idealize what they remember. Possibly the fact that Mr. Kang is a Korean also makes him less conversant with Chinese ways than if he were native born. To discuss "The Good Earth" from the point of view of an ideal Confucian civilization is as beside the point as it would be to discuss Dreiser's "American Tragedy" from the point of view of an ideal Christian one. I regret exceedingly that I have not at hand a review that appeared in a May issue of The China Nation, I think, published in China by the Chinese, in which the Chinese critic compares "The Good Earth" to the works of Dostoyevsky and Tolstoy and says that there are more of the *mores* of China in it than in fifty sociological books on Chinese life.

Millbridge, Maine. MARGARET S. C. THOMSON.

One Way Out

SIR: One of the peculiar phases of whether or not depressions are avoidable is that we all have ideas and comments to offer every time the subject arises. The bug that has been biting me is this: Why do we have so many explanations? A doctor looks, scrutinizes and tells us that it is due to the health of the individual. A banker blames it upon the inferior quality of gold; a manufacturer, on overproduction; the poor, on the wealthy, and ad infinitum. . . .

I have been a cog in the manufacturing industry all my life and I diagnose the case as too much goods, men and consumption. To illustrate my point: My first job was in an auto-frame shop. Men did all the work, machines were secondary. Today machines do the work and men are not needed. We all know about the plant that makes frames today and "No Human Hand Touches Them. . . ."

Industries are doing everything to adjust themselves to procure all the business available. To illustrate: Five years ago the principal commodities hauled in tank cars were crude oil and gasoline. Today they are at the bottom of the list. We have had to find new commodities, hundreds of them. Glucose, glycerine, hydrochloride, tanine, hydrogen sulphide, food liquids, soaps, fruit juices, molten metals, asphalts and such bizarre things as coal dust, cement, silica. Every day we search for something to carry and as fast as we find it someone wants to send it through pipes. One of these days they will be sending your groceries by wireless.

The only thing that a man can do now was suggested to me by an ad in The New York Sunday Times. Invest your money in a good cemetery, for people have to be buried when they die whether we have a depression or not.

Sharon, Pa. A. C. CARBON.

The Nature of Mind

SIR: Mr Hook's communication in The New Republic of June 3 affords an opportunity for making a rather fundamental point in metaphysic. I say "metaphysic" with malice aforethought to indicate the fact that "The Influence of Darwin on Philosophy" to the contrary notwithstanding, there are still philosophical problems that cannot be solved on merely scientific grounds without what in the old days used to be called a *petitio principii*. One such problem is the nature of mind, or reason, and its status in reality.

Mr. Hook says: "There are two generic ways in which ends may be criticized. We may say either that they are justified by a higher 'intuition' or that they are empirically verified in action." Now "intuitions," whether higher or lower, of the kind implied by Mr. Hook (the kind used to stifle investigation and verification) are anathema to the contemporary mind, and properly so. They are "arbitrarily subjectivistic." This is good psychology, sometimes even good psychiatry. Hence for sheer shame we are thrown on to the other horn of the dilemma. It is like saying: "Either we are false pretenders or John Dewey is our prophet."

I should like to suggest, however, with all deference to Professor Dewey, Mr. Hook and Mr. Hook's artfully constructed disjunction, that there is another alternative. Ends, or in less technical language, human purposes and standards, may be criticized and verified in action—in some sense of those terms. That is true. Utilitarianism and teleological ethics have said as much. The debatable point is whether action and consequences are the only or the ultimate criteria of ends. In general, philosophical relationalism and philosophical idealism have from Plato down held that they are not. They have asserted that reason and logic, rather than action and psychology, are the ultimate criteria. They may have been wrong—that is the metaphysical question at issue—but they at least offer as an alternative to "verifying ends by action" something other than the baleful and subjectivistic "intuition," on to which horn of his dilemma Mr. Hook would hurl all who ventue to question instrumentalism.

To put the question involved simply: Is mind or reason an autonomous function with its own logical norms which are more ultimate than action and consequences (since these do not automatically evaluate themselves but have to be evaluated); or is mind or reason merely a biological device for enabling organisms to satisfy their wants more efficiently and intelligently? Rationalism and idealism assert the former; pragmatism, instrumentalism and humanism (biology, psychology and psychogenetics; James, Dewey and Schiller) assert the latter. For the former mind is, fundamentally, a function or activity for the discovery of truth; for the latter it is merely an adaptive mechanism.

FRANK E. MORRIS.

New London, Conn.

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Slums of Berlin

Alexanderplatz, Berlin, by Alfred Döblin. Translated into the American by Eugene Jolas. New York: The Viking Press. 2 vols. $5.

HOW SHALL we find order in chaos? in the mind, illogical, uncertain, self-contradicting, straining toward vagueness; in undisciplined means working for an ephemeral end; in man, not even striving, not even trying to reach the futile impossible, who sort-of hopes, sort-of dreams, walks the unfriendly streets and wishes? How shall we reconcile ethics with psychology, words like "decency," "honesty," with states like hunger, loneliness; or the mad, at-any-price clutching of self-preservation with "human dignity"? Or in the crowded poorer section of a great city, with the clanking noise, the filthy-paper-cluttered streets colored by rotted fruit, the mob, the push-push-push of elbows and suspicious eyes, the greasy doorways, narrow stairs, dark halls, the smells, the awful familiarity, the sullenness, and the always present feeling of an impending doom—where shall we find the beginning and the end, where is the order?

When Franz Biberkopf is released from a Berlin prison (where he has served four years for mortally hurting a girl whose pimp he was) he swears to himself he will be decent (go straight), forget his friends: pimps, prostitutes and thieves; be alone, work himself into respectability in an unfamiliar part of Berlin. But the police allow him to live only in Alexanderplatz, and here everything reminds him of the past, of how easy it is to drift, to live without scruples. He sells papers, he wanders, he has a girl, he wants to get into some business. Life remains the same, there is no reward to virtue, no self-compensation. Days are long, and nothing happens. The streets whirl by, faces flash; and he remains the same. Cafés and drinks and loving, and no push forward. Franz Biberkopf drifts. Then, quite by chance, he is involved in a robbery, too late rebels, and his unsuspected accomplices try to kill him, throw him under a running motor car, and cause him to lose an arm. When Franz leaves the hospital, his life begins to have a meaning. He becomes bitter. The objective universe about him is now an "it," an enemy, a concrete entity to face, to struggle with. Franz again is kept by a woman. He will show "it," he will obtain by any means possible the existence that he wants. He is big, handsome, loved. The comfort-filled body relaxes, the mind hates less. Paradoxically he becomes respectable, and food, a home, leisure, love, soften him, dull the hated objective. Then again a blow. His girl is murdered; and Franz Biberkopf goes to pieces. A mad time follows, an almost insanity, almost death. The man gives up. But he does not die; he recovers; pointless, useless, meaningless, he becomes a normal member of society, and is lost sight of as he accepts a job as assistant doorman in a factory.

How shall we explain Franz Biberkopf? Shall we go to Mr. Watson and ask about his reflexes? or have Dr. Freud analyze his sexual life? shall we be theological and say the man has sinned much and must do penance? Socialist, cry he has been exploited? or, Fascist, insist there is no order in him? shall we be scientific, and attempt to gauge his chemical reactions? or, like the government, lock him up in prison when he has killed? and, like the medical doctors, keep him in a crazy house so long as he raves, and when he is seen to walk, to eat, to breathe like other men, shall we release him?

Franz Biberkopf knows none of the systems of psychology; does not believe in God; to him Communism and Fascism represent talk in the newspapers; science is nonsense; but he knows that if he commits a crime, and the police can catch him, they can keep him under lock and key; and when he is under mental observation, he does not care what happens to him. What stares him in the face is: he wanted to be decent, and he could not be decent.

The maze of Alexanderplatz is no easier to explain. It is so involved, there are so many entrances, dark windows, dirty little cafés with their sad promises of relief, humans living so close together, but sullen and hating one another; with purposes pitiful in poverty, yet strong, demanding, clashing. Decency is mixed with hunger, with ruthlessness, with desire to escape. Work, crime, love, lust, death, murder and the ever present smell of day and night, stifle the already festering streets of Alexanderplatz. Here opposites do not contradict each other; there is no line between them; existence is motivated not by desires, wishes, fancies, but by want, by hunger. Living in Alexanderplatz is living in Bedlam; no graces here, or social compromises; the lunatic gnawing of the stomach is fierce, is all-demanding. And each breathing being is too concerned with the continuation of breathing to worry about nicety, decency.

And through these rotted, swarming streets, in this mad book, moves the figure of Franz Biberkopf, who does not know that decency is a luxury, for the idle, for those who do not need; that the poor have right to no emotions, no fine sentiments; they must dully work, or must unthinking steal; he has tried stealing, and it having failed him, now submerges himself in work, unqualitative, without colored adjectives. And the book ends, because one cannot write about work; there is no off-color in it, no change of tone, of mood, of thought; it cannot be compared, being work.

In his search for the forces motivating Franz Biberkopf, the author, Alfred Döblin, uses many methods, and often changes the tempo of his "style" or rhythm (which is the apparent justification for the silly blurb on the jacket: that the technic used is Joycean. Joyce did not invent it. Rabelais used it before him, as did Laurence Sterne). Döblin is at times objectively scientific, using physical formulas incomprehensible to a layman, and dry empiric *reportage*. Again, as in the murder scene, the writing is melodramatic (The night. The dark woods. The dread of the city dweller in the silence of the forest. The foul murder. The trees moaning. The corpse of the innocent lying disfigured and bloody in the fresh, to be forgotten grave. Trees again moaning. Silence, then the crackling of the twigs). It is almost Gothic, and perhaps unfair, but tremendously effective. When Franz is raving in the madhouse, the writing is hot, delirious, disjointed, interspersed with the vapid professional witticisms of the doctors who are observing his interesting case. Curiously, the characters are never allowed to be alone; always through their thoughts, their hunger and their fever, Alexanderplatz awfully breaks through, noisy, jarring, demanding. It is almost as if the stinking quarter were in its swarming whole more important than the individuals, the living units; and if the term "stream of consciousness" must be used in describing a new and serious novel, it can be said that it is the stream of consciousness of a whole city which is followed here, a place jealous of its anarchies, and demanding that even those who are anti-social conform to its horrible and unconforming standards. And the mind of the city, of the collective mob, is more

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terribly cruel, more stupid than the most wretchedly wicked individual. The rhythm that motivates it is not simple, not hunger, or the sex urge; but a perverted loyalty, a sort of patriotism; and through the book runs a heroic inane doggerel, with rhyme and meter, but no meaning. The mob follows the lilt of the verse, is caught by its turn, its ease, and forces all to dance to the tune it sings, and follow the step; while the author searches everywhere for interpretations, for symbolic explanations: Scriptures (Franz Biberkopf is Job, Alexanderplatz is the Whore of Babylon), Homer, Germanic and Greek myths, psychoanalysis, legal ponderous decisions, medical cant, journalistic lingo.

The book is not sad; Franz Biberkopf is not an introvert. The love scenes, the beer-drinking passages (admirably translated into American vernacular by Eugene Jolas) are jovial, are good natured. There is a spring to them, a verve. There are jokes, shouts, laughs, slaps on the back, loud kisses. The extreme horror perhaps consists in that Franz does not suffer, as he should, as a thinking man would suffer. He is not an anguished victim of fate, or a suffering example placed by God for warning among men. Perhaps the reason he is tragic is that through the idle prison years, Franz began to hope, to think; freedom, like an absent love, seemed terribly desirable. And when he was released, he ran out to embrace its beauty, immerse himself in its seemingly fresh and pure perfume. Love was to be an ecstasy, and life in freedom, decent, just. But in the reunion love sometimes proves stale and old, and freedom is chaos in Alexanderplatz.

NATHAN ASCH.

Menshevik and Bolshevik

Hidden Springs of the Russian Revolution: Personal Memoirs of Katerina Breshkovskaia. Stanford University, Calif.: Stanford University Press. 369 pages. $5.

February 1917: A Chronicle of the Russian Revolution, by Aleksei Tarasov-Rodionov. New York: Covici-Friede. 378 pages. $3.75.

BRESHKOVSKAIA'S book is interesting because of the span of her existence, the amount of her suffering for the humanitarian cause and the gentility of her spirit. She began her activities among the people of Russia as early as 1873, was arrested in 1874 and spent the remaining years in prison or in Siberia until 1896, when she was permitted to return to western Russia. She is once more an exile, living in Prague, for she hates the Bolshevik regime in Russia with a passion that comes intensely from one who believes that the Bolsheviki have polluted the springs of freedom which she wished to release. It was inevitable that she should fall out with the Marxist-Leninist group. As early as 1881 she records that the young men who were coming to exile in Siberia were Marxists who insisted that the peasant must be excluded as a factor in revolutionary work. "They said," Breshkovskaia writes, "that the key to truth was to be found in the factory and that the means to the achievement of socialism lay in the speedy proletarization of the peasant. They looked upon us gray-haired *narodniki* [members of the "To the People" movement] with pity and scorn." Breshkovskaia in turn regarded this attitude with sad disappointment, for her life was pervaded with love for the peasant and hope that improvement could be wrought by education.

Breshkovskaia's memoirs are disappointing because of the lack of objective material on the people she knew and the movement in which she took part. They have not the fascination of Herzen's or Kropotkin's books; but they are valuable for their sidelights on prison conditions in Russia under the Tsars and on the treatment of Siberian exiles. When she was arrested, she was not only fed with stinking soup served in filthy wooden vessels, but also denied any facilities for keeping her body clean. The regulations provided for clean linen every week and a bath every fortnight, and when after three months she finally protested, she was promised her due: "The officials assured me that I should have a bath, asked if I had anything else to say, and sent me back. It was late, the moon was shining, the young soldiers were joking, and I walked happily on, looking forward to the bath and clean linen. I got neither." Finally, by refusing to move until clean, she got her bath. On the way out to Siberia the exiles were half-starved by their cruel and corrupt guardians. She describes the Siberian prisons as "individual republics, full of violence, abuses, thefts, dirt, infection and disorder," and "later we lived for years on tea and potatoes." At Kara "a third of the prisoners had died of tuberculosis and typhoid fever every spring. By our time the total number of deaths was only one-fourth the total number of convicts. . . . Flogging, cold and hunger were their daily portion. Some perished there, like poisoned black beetles. . . . The humiliation, the violences to women, the moral dissoluteness of the authorities, cannot be described in words. The hatred of the convicts was so great that they at times opened the coffins of recently buried officials and drove wooden stakes into the corpses."

Breskovskaia is an ardent admirer of Kerensky, whose lenient and wavering policy she attributes to his desire for freedom rather than to his political weakness and economic limitations. She ends her book with this sentence: "My beloved Russian people will sober down from their revolutionary madness, and we shall once more be able to work hand in hand with them in rebuilding a land of freedom, honor and true fraternity." Her manuscript was written in 1922.

Aleksei Tarasov-Rodionov's account of events during February, 1917, is an intense and vivid story interpreted by an alert mind. It does for the beginning of the Russian Revolution what John Reed's "Ten Days That Shook the World" did for the Bolshevik coup d'état. It has the advantage over Reed's book of being written ten years later by a man who took a militant revolutionary part in the movement he describes, and who, therefore, had opportunities for observation impossible for even the most gifted foreign observer.

Tarasov-Rodionov's book gives, in addition to the drama of the Revolution, its smells, sounds and tastes. Greasy soup and frozen spittle are mixed with Kerensky and Miliukov in due proportions, and Tarasov-Rodionov is such a capable descriptive writer that the book carries one on irresistibly without degenerating into lurid excesses. The only disadvantage it suffers from is his wholly comprehensible bias against the members of the Provisional government, whom he describes with a cold, observant bitterness quite different from his tone in speaking of the Bolsheviks. He does, however, give an interesting description of Lenin a few days after his arrival in Petrograd to take over the leadership of his party; from this, one gets the impression that Lenin was a man of extraordinarily brittle mind, justly impatient of any vacillation from the principles he had studied for so many years. It is a writer's business to

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observe and record, and Tarasov-Rodionov has amazing powers of observation and description. One could hardly expect that he could operate machine guns and armored cars against the gendarmes and the Tsarist forces and still remain detached. The members of the Provisional government, subjected to his trenchant contempt, come off very badly in the matter of intelligence and efficiency. One gets from the book a clear conception of the clash between the ideas of the new rulers and large parts of the population, especially the peasants of the army, who wondered when they were to be given the promised land in fact and not in theory. They could not receive it except at the expense of the bourgeoisie, to which the members of the Provisional government were partial by birth and social circumstances. . . . All of this was preparation for the final revolution of October, 1917, which is described so well in John Reed's book.

M. R. WERNER.

Black Beowulf

John Henry, by Roark Bradford. Woodcuts by J. J. Lankes. New York: Harper and Brothers. 225 pages. $2.50.

NOW JOHN HENRY is a hero. He is one of the great heroes. He is of the company of Ulysses and Beowulf and Paul Bunyan and Gargantua. And for many years, nobody knows just how many, he has been with us in the South. Where he came from we don't know. Perhaps he was a myth in the beginning, some fancy of a Negro who, doomed to slavery, created a god in his own making and imagined that he could walk the earth like a natural man. It is more likely, however, that a John Henry knew an actual existence, and did his great deeds, and gloried in his strength, and established a factual basis for the fables and songs that have come down to us.

So when Mr. Roark Bradford writes of him he writes of a hero . . . one of a race of giants who have gone utterly from the earth. And Mr. Bradford writes well of him. This is a book that is going to amuse and entertain many people. It is going to be especially entertaining to those who read Mr. Bradford's earlier books, "Ol' Man Adam an' His Children" and "Ol' King David an' the Philistine Boys." It is shot with the kind of humor and has the same penetrating understanding of certain aspects of Negro psychology that won such popularity for the books upon which (if everybody does not know it already) the play "The Green Pastures" was based.

And yet, to me, the book is lacking. John Henry, for all of Mr. Bradford's gifts, fails to come alive. There are several moments when he approaches reality but he never quite attains it. And this, I believe, is largely because he is picturesque and entertaining rather than heroic.

John Henry, in this book, is calculated to arouse much merriment. Mr. Bradford, better than any other writer I know of, is able to surprise the Negro in those attitudes that make for much merriment. And he is able to make of John Henry the picturesque person the Negro is generally presumed to be. The following passage will illustrate what I mean:

> And then John Henry walked over and pulled the fighting women apart. "Y'all ladies quit dat rowin' and quarrelin'," he said, "'cause yonder is Stacker Lee too skeered to fight about. And de onliest woman I lets fight about me don't live in dis town a-tall. . . . So stand back, you Argenta gals, and watch John

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> Henry ramble, 'cause I'm big and bad and my home ain't hyar, 'cause hit's further down de road.... So stand back, you gals and mens, and don't call me by my name, 'cause I'm f'm de Black River country whar de sun don't never shine, and my woman lives far away.

John Henry is here most certainly amusing and most certainly picturesque. It is a very small mirror, this passage, but the image comes fairly clear. This is the portrait Mr. Bradford has painted. It is a good portrait, an excellent likeness, but it is all on the surface. The great, heroic soul of John Henry is untouched. It is hardly the portrait of a hero. And that is because the hero is but the embodiment of all those qualities which distinguish the people whose hero he is . . . and the things they cherish most. Thus John Henry becomes the sum total of his race, their characteristics, their hopes, their loves, their despairs. He is the Negro of the Deep South.

The Southern Negro, as a human being, is to me neither amusing nor picturesque . . . not any more than poverty and hardship are amusing and ignorance and degradation picturesque. Just what he is I would hesitate to say. He remains, however (except for illuminating flashes like Mr. Bradford's "Child of God," some of the short stories of Mr. Lyle Saxon, episodes from Mr. William Faulkner's "Sartoris" and Mr. Jean Toomer's "Cane"), as dark as his skin. I can only wish, therefore, that Mr. Bradford had given us a portrait of the Negro as hero—in the full meaning of the word. He is eminently qualified to execute it.

HAMILTON BASSO.

Book Notes

BIOGRAPHY AND MEMOIRS

JOHN MISTLETOE, by Christopher Morley. *New York: Doubleday, Doran and Company. 464 pages. $2.50.*

"What is so bitter as the disillusionment of a sentimentalist?" asks Mr. Morley, at the close of a brief meditation upon the fact that Woodrow Wilson has been eternized, by the Post Office Department, upon a 17-cent stamp. Mr. Morley knows when to ask his question; but so rationally does he cultivate his own robust sentimentality, that one feels he will never know the answer save at second hand. More carefully written than he would have the reader think, and less reminiscent of cold Lamb than are his other prose reveries, these glimpses into Mr. Morley's autobiography cannot be passed over as mere summer reading: they should outlive the season.

THE MEMOIRS OF GARIBALDI, edited by Alexandre Dumas. *Translated with an introduction by R. S. Garnett. New York: D. Appleton and Company. 432 pages. $5.*

Garibaldi wrote two versions of his memoirs, an earlier one edited by Dumas and a later one edited by himself; he was a far more stringent editor than Dumas, and censored rather cruelly his earlier romantic self. This volume is therefore largely a work of salvaging. There is a thumping echo of Dumas' style in it; there is much bombast, and an emotional pitch which escapes the restricted gamut of our nineteen-thirties; but in spite of it one detects heroic gusto and vigor in this glorious soldier of fortune whose filibustering in South America gave him the training for his great part in constructing the modern Italian nation.

CLIVE, by R. J. Minney. *New York: D. Appleton and Company. 288 pages. $5.*

The history of Clive told in this new biography of the Indian conqueror is the history of the depredations, the exploitations and bleedings of India by the British, French and Dutch East India companies; and also of a brilliant general and able man. But if ever a biography needed the application of the economic theory

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of history to the writing of it, Clive's is the one. His present biographer, whose adjective-weighted style sometimes collapses on itself, is Clive's apologist. He gives elaborate descriptions of battles to avenge this wrong and that wrong—particularly to avenge the Black Hole of Calcutta and the massacre at Patna, committed by the villainous Indians who were obstructing the cause of British trade. Not enough is told about the means by which gentlemen who received an official salary of $200 a year amassed fortunes; but the writer would have it that these means were rather bad whenever Clive returned to England.

NOTES OF A VAGABOND, by Waldemar Bonsels. *Translated from the German by J. B. Mussey. New York: Albert and Charles Boni. 274 pages. $3.*

The true hobo will scarcely feel kinship with Waldemar Bonsels, who has made hoboing an act of faith. These recollections of fellow travelers are often acute and revelatory; but as often insight blurs itself by an effort to "see beyond" which only takes it to the vague back-surface of mysticism. The style is impressive so long as the reader gives himself to its seductive and monotonous rhythm, which has a dignified boom to it. But when an incongruity interrupts, such as the posthumous reminiscences of the suicide, beginning on page 137, the reader, more suspicious in his scrutiny, discovers indeed some good things; however, there are more which merely sound good, and dissolve, when analyzed, into bad rhetoric.

A WORLD CAN END, a Chronicle of the Russian Revolution, by Irina Skariatina. *New York: Jonathan Cape and Harrison Smith. 351 pages. $3.50.*

Irina Skariatina, a former countess who left Russia in 1922 with the help of a member of the American Relief Administration, kept a diary during the Revolution. This diary, which is the most important part of her book, is full of vast and harrowing events described in trivial phrases. She did hope that Kerensky, whose oratory she found adorable, would do something about those horrible Bolsheviki who were going to capture the country if he didn't watch out; but her real passion, after all, was for the Little Father—hadn't Muzzie presented her at Court when she was a young girl, and wasn't her father The General? During the last years of her stay in Russia Mme. Skariatina underwent painful hardships, but such are her style and her point of view that one's sympathy is mingled with irritation.

Philosophy and Religion

A PSYCHOLOGICAL APPROACH TO THEOLOGY, by Walter Marshall Horton. *New York: Harper and Brothers. 279 pages. $2.50.*

In an attempt to ground religion in a secure place, a professor of Theology in Oberlin College considers the just and unjust encroachments psychology has made upon religious thought and endeavor, and finally reduces religion to that somewhat amorphous state which lies beyond the conflicts of science and philosophy. The author is a little more explicit about the Unknowable than Herbert Spencer was, but his argument arrives at the same kind of truce that Herbert Spencer hoped to declare between science and religion.

Psychology

FIELDS OF PSYCHOLOGY, a Study of Man and His Environment, by Glenn Devere Higginson. *New York: Henry Holt and Company. 613 pages. $2.75.*

This panoramic view of psychology, theoretical and applied, was written by an assistant professor of Psychology in the University of Illinois. Prepared in the approved textbook style, it is designed "to review the more outstanding problems, methods and materials of several gross divisions, or fields, of psychology." The author, who maintains throughout a strict impartiality of treatment, lays a special emphasis on the importance of the biological and anthropological aspects of the subject: from this point of view Part II is particularly valuable for the student. Part I considers the various psychological systems, from classical introspection to behaviorism and *Gestalt;* Part III has to do with applications to education, law, advertising and intelligence tests; Part IV discusses the problems of abnormal psychology from simple disorders

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to the psychoses, with descriptions of therapeutic methods, Freudian and other. The volume as a whole is recommended to students and laymen as a useful reference work.

Fiction

THE LEAF IS GREEN, by John V. Craven. *New York: Alfred A. Knopf. $2.50.*

The story of a college boy who loses the girl he loves, gets expelled from Princeton and spends his time in New York, wheeling from speakeasy to speakeasy. After an equally alcoholic summer at a lake resort, amid the memories of his unhappy love affair, he begins slowly to recover from his emotional malady. The most effective chapter is that in which he meets the girl again, this time with her husband. Throughout the book, the method is that of Ernest Hemingway; but the Hemingway phrases, dialogue and attitudes are exaggerated almost to the point of burlesque.

S. S. SAN PEDRO, by James Gould Cozzens. *New York: Harcourt, Brace and Company. $1.50.*

Mr. Cozzens' short novel, or long short story, is a moving transcription of the "Vestris" disaster. Its best feature is the sense it gives of the ship and the crew together as forming a collectivity, a single organism progressing moment by moment toward disaster. The principal flaw in the realistic narrative is the introduction of a doctor whose features strangely resemble a skull, who gives an uneasy sense of impending danger to everyone who sees him, and whose apparition on shipboard is obviously intended to be symbolic.

A Correction

In The New Republic of August 26, 1931, there appeared a review of three books, issued by different publishers, which contained the sentence, "Lately it has become the practice of struggling publishers to issue topical novels." It has been called to our attention that this sentence might be interpreted as impugning the financial responsibility of the publishers whose books were reviewed, and The New Republic wishes, on behalf of the reviewer and itself, to disclaim this interpretation of the sentence.

Contributors

Bernard J. Reis is a certified public accountant with wide experience in bankruptcy and stock-brokerage investigations. In 1926, by order of the United States District Court, he was appointed accountant for the receiver of G. L. Miller and Company, whose history is described in the present article.

Suzanne La Follette was the editor of The New Freeman until it ceased publication last spring. She is the author of "Concerning Women" and "Art in America." During her present visit to Europe, she is devoting herself to observation and research in the field of economics.

Allen Tate, poet, biographer and critic, is completing a life of Robert E. Lee, which is announced for early publication. A second volume of poetry—"Mr. Pope and Other Poems" was his first—will also appear in the near future.

Nathan Asch has lived in Berlin, the scene of the book he reviews in the present issue, as well as in Warsaw, Paris, New York and Dallas, Texas. His three novels, "The Office," "Love in Chartres" and "Pay Day," are perhaps better known in Germany than in the United States.

M. R. Werner, the biographer, is the author of "Barnum," "Bryan," "Brigham Young" and "Tammany Hall." Since returning from Russia, where he spent last winter, he has been working on a new book.

Hamilton Basso lives in New Orleans, where he works for an advertising agency. He has contributed stories and articles to The New Masses, Transition, The Double Dealer and other magazines, and has published a novel, "Relics and Angels," which deals with life in his native state.

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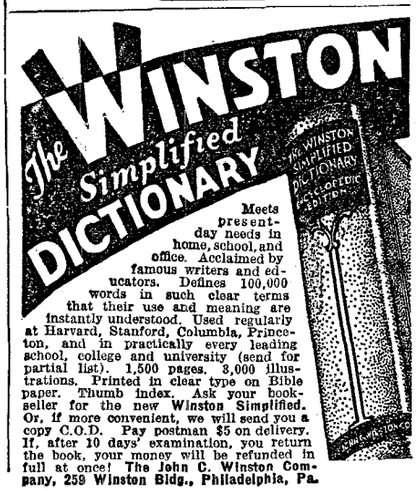

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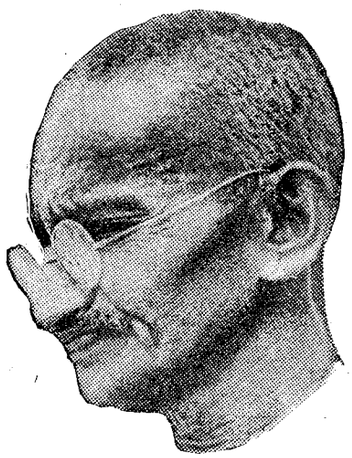

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